Daily Report

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Central American Leaders Welcome Gulf Cease-Fire

PA0103001391 Panama City ACAN in Spanish 2227 GMT 28 feb 91

[Text] Panama City, 28 Feb (ACAN-EFE)—Central America today voiced its satisfaction with the cease-fire in the Persian Gulf, requested generosity for the people of Iraq, and demanded that Saddam Husaya comply with all the resolutions issued by the UN on the war.

Kuwait was liberated yesterday by the multinational forces led by the United States after 41 days of war, following the invasion by Iraq on 2 August of last year.

Panamanian President Guillermo Endara "thanked God" that the struggle in the Middle East was "short," demanded that the winners be "generous" with the Iraqi people, and demanded Husayn comply with the UN resolutions.

Meanwhile, Honduran President Rafael Callejas voiced his "satisfaction" over the cease-fire and said that "it is the positive result of reason."

Callejas told ACAN-EFE that "Honduras is very sorry about what has happened to Iraq," and that with the war being over, "it has been clearly established that no country, no matter what its size, has any right to forcefully take over other nations."

Costa Rican President Rafael Angel Calderon congratulated the members of the multinational alliance against Iraq on their victory and voiced his satisfaction with the cease-fire.

He added that this conflict has been an encouragement for his country in seeking alternative energy sources that will allow continuing with the plans for economic development once there is an abrupt increase in the prices of oil.

Salvadoran Foreign Minister Manuel Pacas said today that his government is "pleased" with the end of the hostilities following the liberation of Kuwait.

Pacas added that the war was the result of Iraq's "stubborn attitude" in occupying Kuwait, and that El Salvador hopes that the "physical and human destruction will not continue" in the Middle East.

An official spokesman for the Presidency in Guatemala said today that the cease-fire "brings tranquillity to everyone."

Iraq agreed to respect all the UN Security Council resolutions following the cease-fire ordered by the United States, after 41 days of combat, and to withdraw Iraqi troops from Kuwait.

* Andean Pact Meeting Atmospherics Described

91SM0203A Bogota EL ESPECTADOR in Spanish 26 Jan 91 p 6-A

[Special correspondent Henry A. Rodriguez report from Cartagena]

[Excerpts] Cartagena—As in a soccer game, where each team wants to score a goal against its opponent, this week the international trade authorities of Colombia and Venezuela were engaged in a dispute in which each "team" wanted to win but could not do so.

The front line of the Caracas government was led by Gabriela Febres-Cordero, president of the Venezuelan Foreign Trade Institute. The front line of the Bogota government operated under the orders of Marta Lucia Ramirez de Rincon, director of INCOMEX [Colombian Foreign Trade Institute].

The playing field was the Cartagena de Indias Convention Center in Cartagena where, over the past five days, the 54th ordinary session was held for the Cartagena Agreement Commission, the highest decision making body of the Andean Group.

The referee for the meeting was Ernesto Samper, Colombian minister of development, who took over as chairman of the commission on 24 January. Although he is a member of one of the sides involved in the dispute, he had to act as a moderator of the differences which arose. [passage omitted]

The five countries which are members of the Andean Group met to take further steps leading to complete economic integration prior to 1995 through the establishment of a free trade zone.

All of the delegates agreed to reach an agreement to avoid and control unfair trade practices which are now going on. A final draft of that agreement will be completed at a meeting to be held on 15-16 February. The definitive agreement will be adopted in March 1991.

It was also agreed that during the first quarter of 1991 the tariff concessions previously extended by the Andean Group countries to other states will be cancelled, with only a few exceptions.

The Problem

The problem arose when the theme of industrial integration came up for discussion. Delegates of the five countries expressed their positions, and two blocs immediately emerged.

One group, headed by Venezuela, which was followed by Bolivia and Peru, proposed that, as of 1 January 1992, tariffs in the automobile, steel, petrochemical, and metallic and mechanical components sectors should be eliminated.

Colombia stood alone in support of its view. This country argues that free trade in those sectors should not come into effect until 1995.

Ecuador, a country which has not yet decided whether it dares to accept a commitment to international free trade in merchandise in 1992, stood in the middle.

This was the way things stood when the "quarrel" began. Gabriela Febres-Cordero was the first to attack. According to Venezuela, the declaration signed in La Paz [Bolivia] by the five presidents of the Andean countries in November 1990 provides that free trade should begin in January 1992.

Marta Lucia Ramirez de Rincon, the director of INCOMEX, replied for Colombia. She stated that, "Colombia's position is different from that of the other countries, because the Andean presidents want a common Andean market parallel to the development and industrial modernization of the sub region."

The Venezuelan delegates favor the immediate reduction of tariff duties in the metallic and mechanical components, steel, and automobile sectors because, in the past, the Venezuelan government subsidized companies involved in the production of these types of goods. These business firms now have a productive capacity greater than that of the other Andean nations. Without tariff duties Venezuela will easily flood its neighbors' markets with steel, automobiles, and metallic and mechanical components.

Colombia has fewer advantages, and its industry runs the risk of being overwhelmed by the massive import of products from its neighbor. That is the essence of the problem.

In this context a real war of "juridical interpretation" broke out. The various groups interpret the text of the declaration of La Paz in a different way. Seated facing each other, Gabriela Febres-Cordero and Marta Ramirez de Rincon became the "stars" of the meeting, which went on into the night.

The Colombian delegate accused Venezuela of supporting preferential treatment for the steel industry, thereby creating distortions in the free market.

The Venezuelan delegate made subtle digs and even let it be known that the CERT [Tax Reimbursement Certificate] extended by Colombia to its exporters is a clear subsidy. She said that she is ashamed of those in the world who negotiate for and claim to support free trade.

Behind the main table were seated businessmen from each country who gave whispered advice to their delegates.

Behind the director of INCOMEX were spokespersons of Paz del Rio, FEDEMETAL [Colombian Federation of Metal Industries], ANALDEX [National Association of Exporters], ANDI [National Association of Industrialists], and ACOPLASTICOS [Colombian Association of the Plastics Industry]. They were almost the only ones to applaud the Colombian delegate at the end of each of her speeches.

No one gave an inch. Soon a formula emerged to move discussions out of a dead end. This proposal involves holding high level consultations with each of the presidents of the Andean countries to see what they meant in the declaration of La Paz.

The question is whether the Andean common market includes the industrial sector or not.

In the last analysis the declaration of La Paz was turned into ammunition for use in an "intellectual war."

Peace, Peace

The Venezuelan delegate issued a written statement, according to which "the decision to speed up the establishment of the free trade zone by 31 December 1991 refers to all tariffs, apart from the residual group of items contained on the lists of exceptions."

The Venezuelan statement continued: "Nevertheless, in the spirit of moving closer to the positions of the other delegations which sought to interpret the agreements contained in the declaration of La Paz in a different way, the Venezuelan delegation agreed to participate in a discussion at the level of experts. This has been done to make the time for implementation of the declaration more flexible. Such participation in a discussion does not change Venezuela's position of principle regarding the date for establishing the free trade zone."

When the meeting was over, the Venezuelan and Colombian delegates embraced each other and exchanged smiles. In a joking way Colombian Minister of Development Samper commented: "These women are going to abolish the Andean Pact." One of them answered, "No, we are going to do what the men could not do."

What is clear is that the quarrel continues and that what was discussed by those attending the meeting was not limited to tariff reduction, since basically the industrial stability of each country is involved.

The dispute will be settled by Presidents Gaviria, Perez, Fujimori, Paz Zamora, and Borja, who will attend a summit meeting on 17 May in Caracas.

[Box, p 6A]

No One Is Observing the Andean Pact

Although there is a decision to establish an Andean common market, not all of the countries of the area are carrying out the commitments made to implement this concept.

A report on the status of implementation of the commitments made under the Cartagena Agreement reveals that

Venezuela is the "champion of broken promises." It is not acting in accordance with what was agreed in 1,900 cases.

Ecuador has failed to carry out its commitments in 339 cases; Colombia, 22; and Peru, 867.

This information was made public in the framework of the 54th ordinary session of the Cartagena Agreement Commission, which closed on 25 January.

In the majority of cases the countries concerned have not carried out their commitments to free or eliminate restrictions on their external tariffs and in connection with programing and industrial property.

Gabriel Febres-Cordero, the president of INCOMEX, said on 25 January, that her country will fully carry out its commitments by 31 March, at the latest.

Meanwhile, Ernesto Samper, Colombian minister of development, harshly criticized the attitude of those governments which, as of 16 January, had failed to implement their commitments in many cases.

Despite this report, the discussions which ended on 25 January were called positive by those attending, provided that a political decision is confirmed to establish the long desired common market in the near future.

Although there are differences about dates and timing, the governments of Colombia, Venezuela, Peru, Ecuador, and Bolivia reaffirmed their decision to free trade in the sub region.

Cuba

Castro Closes PCC Provincial Assembly in Havana

FL2702200091 Havana Radio Rebelde and Cuba Vision Networks in Spanish 2352 GMT 24 Feb 91

[Speech by Fidel Castro at the closing of the Communist Party of Cuba Provincial Assembly in Havana City Province from the Palace of Conventions—live]

[Text] Comrades, my turn has finally arrived to also come here to this podium. [laughter] We have worked as contingent members do, if not for the same period of time but with the same intensity of the work. I have not kept track of time but we must have worked for at least 20 hours because work was conducted even during the recesses.

I sincerely believe this has been one of the best assemblies we have had. I do not know whether it is because we have gotten better or that circumstances have forced us to be better. Perhaps it is the two of them. Perhaps we have improved somewhat and the events have forced us to grow.

Lezcano made the effort to explain that we were not able to discuss everything but those of us who read the report carefully know that everything was discussed and it was discussed thoroughly. We were not the only ones to read that report. The entire population has read that report. That is a serious and in-depth report. I would even say more. It is an extremely critical report. The report is very critical. Not a single word was spared. Nothing was hidden. As I was reading with the greatest possible coldness and objectivity, I would say that the report was too critical. It is not that it lacked criticism. In any case, we could say that it had a little too much criticism. Well, this is a virtue. It is an attribute. First of all we have to show that we are not afraid to deal with any subject and take things the way they are.

When one has information about things one notices them. I saw that people were involved in the problems. People were involved in the problems much more than in the successes, in the defects much more than in the virtues. This is how the report was. All problems were dealt with. Not a single one was left out, not even the ones that are more unpleasant such as the famous problems with services. I am certain that the day will come when we solve the problem with services. We have devoted our best energies to more important problems.

For example, I remember when there were certain problems in the public health services and there was a large number of complaints. The problem was tackled, meetings were held in all the hospitals of the capital, with all the directors, secretaries of the nucleus, secretaries of labor unions, of the Union of Young Communists [UJC], of the wards. There was not enough room for all of them at our room where the Central Committee meets. There was not enough room because five people for each hospital attended the meeting. We had to get extra chairs. All the parties involved in health were there. We analyzed in depth because what was happening was not unrelated to the problems we had encountered and led to the rectification process. That was also chaotic. Some of the things we were saying about construction were also present there.

During that first meeting—that one lasted two or three days, I cannot remember—we began to analyze the subjective problems but discovered that there were many objective problems.

There was a hospital where the elevators had been installed some three months ago and 100 beds were not being used. This was the Camilo Cienfuegos, the one we are now going to turn into a high-technology hospital to provide services to the growing number of foreigners who are pressuring us to provide them with medical services. What happened was that two enterprises had not coordinated between themselves. [chuckles] There was an enterprise making repairs and another one.... [changes thought] There were two enterprises. The elevators became operational the next day, during the second session of the meeting. This is just an example. This situation had been present for about three months.

The Salvador Allende Hospital, which I consider to be a very good institution.... [changes thought] It is one of the good health centers in our capital. We could say it is the pride of the capital because patients with retinitis pigmentosa are treated there. It also has a medical school. What came out in that meeting about the Salvador Allende Hospital was incredible. The fences were broken because of a construction work which who knows how many years had been going on. There was a mango grove. That was the only time in my life that I ordered to clean, to bulldoze a mango grove. The mango grove was inside the hospital. The kids jumped everywhere. They did not have to jump because there was no fence and they got in there to eat mangoes. Everyone ate mangoes there. Even the patients ate mangoes. The place was full of flies and there was a tremendous lack of hygiene.

There is a beautiful park there now. That is what should have been there in the middle of the hospital. There were 15 institutions in that hospital, inside the hospital, 15. The People's Government had a cafeteria inside the hospital under one administration. I do not know which basement under one of those old wards the post held. The Territorial Troops Militia or I do not know what group had a weapons warehouse. It would have been perhaps the only one I would have not protested against. It was much better to find another place instead of a basement. Each basement under each one of those wards had a proprietor. There was a comrade of the party there who was at the verge of suicide, of madness, of who knows how many things. One time he stood at the entrance and said: no, no, because a large trailer was entering the hospital at that time, an enormous trailer of the ones that often entered there. I believe that even the

National Institute for Sports, Physical Education, and Recreation had things there. There were 15 administrations inside the hospital.

Some wards had not had maintenance for who knows how long. Beds had been lost. One had to ask: Is this a hospital? The most surprising thing of all—and perhaps reflected the attitude of man and what man is capable of doing—is that in the midst of that tragedy, the hospital was considered a model hospital. Seriously, it was a model hospital because of what those people had done to maintain their hospital, to defend their hospital, to make the hospital operate in some way. I could not understand that. So much chaos in a hospital was difficult to imagine.

How could people be so insensitive? How could they adapt to these things? That was one of the things that came out of that meeting in which we were going to look into subjective problems. By the way, who knows how long they had been building the medical school. When we checked them—I am giving you an extreme example—when we checked all those hospitals, we found an objective disaster and not a subjective problem.

Hospitals did not have materials for maintenance. Hospitals were supposed to.... [changes thought] All hospitals had maintenance crews, maintenance brigades. The materials would end up in those phony enterprises, which were the ones that had to repair the hospitals. Those enterprises had the materials but did not have forces to install anything. Do you know what the thieves did? They were thieves. If they had to put a certain amount of asbestos-cement fiber in a hospital, since hospitals were not assigned asbestos-cement, the pirate enterprise sold them the material. They were charged as if they had installed it. A panel of asbestos-cement is worth a certain amount but it is worth something else if it is installed. The pirate enterprise was profitable. Imagine, it did not do a thing. It sold the material, but what was this? Those things did not cease to amaze me.

Of course, for some years we had been trying to help the hospitals to acquire some new modern technology equipment which we imported. We had some news of the equipment the hospitals had received but a lot of that equipment was not installed, was not installed [repeats]. They did not have materials to install it.

I said, well, where are the so-called commercial funds? I told the people from now on take 3 or 4 percent of what is needed from the mercantile fund and assign it to hospitals, assign it to the maintenance brigade right now. Priority had to be given to the materials for hospitals. I said: You are assigned by law a percentage for maintenance. There is no need to look for the material and get it from the street peddlers. In spite of the money they made and stole—some made money doing things, all kinds of deals, through the free and peasants market, everything, nobody knew how much money they had, they even came from Santa Clara to take a truckload of blocks, bricks, gravel, sand, reinforcement rods, and wood—there was not a single hospital in the capital that had maintenance materials.

The worst counterrevolutionaries were inventing things to damage the revolution. In addition to this, nobody knew were the hospital director was because he was always attending a trial. If an employee had to be kicked out because he was a thief or whatever, or because he was crazy, because a man did a disastrous things, if he was thrown out, the next day the hospital director had to go to a trial. There was a board and behind that board there was paternalism, our paternalistic labor legislation. A hospital cannot be like a cabaret no matter how honorable, illustrious, beautiful, famous, and prestigious the cabaret may be. The same labor legislation used for a cafeteria or a cabaret was used for a hospital. If someone changed one medicine for another he could kill the patient.

I did not cease to be amazed in that meeting because of the things that were happening. Suffice it to say that a program came out of there, it was fulfilled and resulted in 5,000 beds. Some of them were recycled. We began to recycle them and began to put the hospital workers, as well as the brigades, the volunteers, and the area residents to work. The municipalities began to help them. Contingents were organized to help the hospitals. This is what was done in five years, what was done since that meeting which was later held yearly. We have not met in the last few years but the party has met. Someone mentioned here that party members met with hotel workers, party members met every week, every month, with party representatives at the hospitals.

A real work plan was developed. Resources had to be found, things had to be done. Of course, great expansions took place, such as the one at the Miguel Henriquez Hospital. It was a terrific expansion work. The Albarran Hospital was also expanded. The Julio Diaz Hospital was a calamity. It was the calamity of calamities. It had nothing in spite of the fact that it had a very good director and that it has very good people working there. It was part of the old wave and I do not know what else. The expansion of that hospital and the expansion of the Frank Pais Orthopedic Hospital, the expansion of who knows how many hospitals, their improvement, the remodeling, the repairs, and changes have been great. There was a revolution in the hospitals. No noise was made and with no economic mechanism because hospitals cannot rely on an economic mechanism. They cannot operate with economic mechanisms alone. I do not deny the importance of using economic mechanisms where they have to be used. We had to fix hospitals with only a few resources.

There were some salary improvements for service employees because they had very low salaries and there were not enough people working there. The service workers' salaries were improved. Hospitals are not profitable. They require public spending. It is a revolutionary work, a revolutionary work [repeats] based on a program

and directed by the party. The results are there. We have to continue struggling, we cannot rest on our laurels, no, no, no. After that the family doctor program began. It happened almost at the same time. It grew. Later the polyclinic plans came with physical therapy gyms and all those things. What has been done in the health field is phenomenal. A change took place after a few years. Twenty percent of the people was satisfied and 80 percent used to complain and after a few years, the situation was reversed; 80 percent is satisfied and 20 percent complain. There is always going to be a number of people who complain because things will never be perfect. There will always be a reason or a non-reason for complaints. Changes took place.

This was done with the people in the brigades. The brigade members helped us. They built the intermediate and intensive care center and many wards at the Allende Hospital. Children hospitals were built. New hospitals were built such as the Juan Manuel Marquez Hospital. Not a few things were done here in the middle of the rectification process and negative tendencies with the minibrigades and the help of the people, with the help of the municipal People's Government, with the help of the municipalities which organized contingent groups—they were not very big, they were composed of 80, 90, or 100 men. Groups were organized. The Julio Diaz Hospital used a tremendous force. It is going to be completed. I already saw it. It is not their fault that that project was lacking certain resources that were going to come from a certain country and they later did not come. We now have to find them from another source. One has to see the work they did, the work the people did. We did not do it in a year. It cannot be done in a year.

There are many institutions and special schools which are hospitals. We built two excellent schools, one was for the visually impaired and angliopics. Their program is the same as a hospital; they are schools but they are hospitals. Children are treated there. There are specialists there. We built a school for invalids and the hearing impaired. They cure and solve problems in many of these special schools. One does not know whether they are hospitals or schools. It is a mixture of the two.

We said: We need to fix this. We need to fix this. [repeats] We then told Lezcano: Lezcano the hotels have all kinds of problems. See if you can do some work similar to the one done with the hospitals, not with the same intensity because the hotels were not as important, they did not have the same weight. He began to work with tourist hotels in a similar program.

We had the problems with the child care centers and we said: Let us solve the child care center problems. There were some 20,000 mothers who needed the services. Some 24,000 slots were created. We said: Let us solve the special education schools' problems. We did. We said: Let us attempt to solve the problems with the polyclinics, let us build all the ones that are needed. We did. We later said: Let us add physical therapy gymnasiums for all of them. We have not completed this yet because the special period arrived.

I do not thing that there is a problem that the revolution has not solved. One has to have a sense.... [changes thought] At least, I believe I have the sense that battles have to be waged one at a time. One has to see which are more important. If production does not increase you would not have the supplies to solve many of the problems the service area encounters. This is why the food program is extremely important. This is why efforts have to focus on the food program.

I am sure that if this revolution sets itself to wage all the battles together with the same priority it could not solve them. It could not solve them. [repeats] I am sure that this revolution can win all the battles, even the one about buses. When the time comes, I will say: This is the way it is going to be, and we will put an end to the nonesense. We may have to go through the bicycle era first. Someone asked if we were not going to discuss the matter of the buses? I believe that what we have to discuss is the bicycles because what we are going to have are bicycles. Let us not be afraid. We have to make 30,000 bus rounds and we are currently making 23,000 or 24,000. There is no fuel. They were going to exceed 25,000 and I said: Do not go beyond 25,000. Who knows if the time will come when we will have to reduce the bus rounds to 20,000; 15,000; 12,000; or 10,000; who knows when. At least we should be prepared. Nobody can have any certainty about fuel, none at this time. I say, at this time we are going through. I explained this in Santiago de Cuba.

I explained the problem the USSR has. It is a serious one. They still have to solve their consolidation and stabilization problem. They need to guarantee their own integrity as a great nation. This is why fuel is not assured at this time regardless of the goodwill which has been expressed more than once. They are making a great effort. It is very difficult for them to fulfill [their commitments], very difficult. Sometimes the ships do not arrive to transport the citrus that need to be sent, for what has to be sent from here to there and not what needs to be sent from there to here. Sometimes the ships that are used to transport sugar are delayed, they do not arrive. No, they are going through very serious problems. We cannot for a single minute forget about this or which problems we may face. We have continued the line of maximizing and maximizing to reduce sacrifices to the minimum in each one of the steps that have been taken. We are domesticating oxen; 100,000 now and another 100,000 later. Poultry meat is being imported to substitute the bulls that used to be taken to the slaughterhouse. We should be prepared. We are even using oxen for multiple plowing. We need to take measures in the event the situation worsens. The truth is that we should not forget this, not for a single minute.

I was saying before that we need to discuss the subject of bicycles. More bus rounds could be made if there was more fuel. This does not mean that this enterprise is an

example. All types of vices are present there. There are still vices and problems and everything. Well, these are battles that need to be won. The battle of services needs to be won.

Counterrevolutionaries, capitalism, and street peddlers are not going to win that battle against socialism. Socialism has shown what it can do. Is education inferior? That is, is public health inferior? It is one of the most important services. No country in Latin America and practically no country in the world, no country, has the type of public health we have.

When we analyze that all expectant mothers are tested to see if there is congenital malformation of their babies and test each child to see if there is hypothyroidism, and we are making progress in the generalized allergy tests, and all that. You cannot even dream to have any of that in any country. In addition, we are conducting vaccination drives, the protection against meningococci which has been achieved this year to all of those who would pose a risk with the anti-hepatitis b vaccine. You cannot even dream of other countries having that. Family doctors? You cannot even dream about it. In that alone, we are ahead of the rest of the countries put together. Among services, medical services are the most important.

We are making progress. We have a staff that is better and better and better trained. Nurses are studying at the university level. They do not go to nursing school after completing the ninth grade. They no longer go to a nursing school but to the school of medicine at the university. Doctors study for nine years and at that point are specialists in general integral medicine and they later can study another specialty.

Nobody can.... [changes thought] That is a service. This is not achieved with cheap business and economic methods. It is achieved through political and revolutionary methods. After health, I would say education is the most important service. We have had problems and have made efforts. We are getting results. We can obtain even better results. There are all types of excellent schools in this country. There are universities everywhere in this country. The universities are now joining research work and are conducting massive research projects. The revolution is recognized in the world for its education and public health. Not even our worst enemies deny it.

Cuba is also recognized in sports which is a service. Who is ahead of us in Latin America and the Third World? There is no country in the world that has more physical education and sports teachers or more medals per capita than Cuba. There is no question about it. Although the United States has a few more medals than us we have almost 10 times more medals per capita. They, with 200 and some millions of people have gotten a few more medals than us. We have 10 [million inhabitants]. This is the result of the work of the revolution and shows the revolution's capability to organize. We can still do much more in that field.

Who doubts the quality of our sports? They have become a show that drives the people crazy. Who doubts the technique of our famous baseball, our male and female volleyball teams, our boxers? The mastery of technique is tremendous. The quality of our teams is tremendous. The baseball that used to be played at the beginning of the revolution, any ground ball hit today would go through the legs of the third and second baseman and the shortstop, because what comes off an aluminum bat, with a live ball, is not a ball but a bullet.

What these people can do is astonishing. Look at many other activities of the revolution. Look at the field of culture and the cultural activities, and the country's dance groups and everything. There is a whole world ahead of us still in all this.

So we do not know how to manage a discount store, a small store. We have problems with the small stores, and distribution, and the trade network, and all that kind of thing. So what? What are we going to do? Privatize it? Then there would be five times as much stealing, not twice as much but five times as much. If they were private, they would steal more than all these thieves, as much as two or three of the thieves we have now. They are Olympic quality also. So what? Socialism has to resolve this.

When all this changes, I am not going to say that I am going to change. I say the truth. I am using my time for a whole lot of things and I cannot spend it on small-time business, personally. Do not count on me as a voluntary. I wholeheartedly support the party, and the battle the party is waging, but personally I am not going to do what was done with the matter of medicine and other activities, or with construction projects, or the food program, now, because the food program interests me much more. [applause] I prefer touring camps of contingents and mobilized workers and seeing how the construction projects are going, when they will be finished, the living conditions each person has there, down to the last detail. I prefer discussing with all the agricultural production enterprises and with the Ministry of Agriculture, all the agricultural programs. We have the Havana people at the level of the executive committee of the Council of Ministers. The government is carrying out the other agricultural programs under strict control, all those programs. The programs in these two provinces wage an important battle, this is at the central government level.

I am telling you that we discuss down to caballerias. I have explained problem with seeds and all that. We are going to have a real garden, with all the best features, and we discuss, now, I am impatient to see the agricultural distribution centers in full operation, to see how much they help us in distribution. Only a little remains to be done to have the 460 plus small markets completed. They will all have their refrigerated areas. I want to know

what demand is for each of the products. Although prices may have an influence, and I have said that prices will be a fundamental factor. We have to adjust; if a product costs more we must pay more for it.

Some products cost a lot more to produce, and we should not encourage unlimited consumption, or that some should be fed to pigs. I can tell you that today to feed a pig on potatoes is the business of many small farmers, or individual farmers. If you sell him potatoes for 12 or 15 centavos, and sell him 15 quintals [word indistinct], he will sell those pigs for a much higher price. We must be careful about this. I was talking to a farmer, a very good farmer, very decent, very courteous, a very good person, as the farmers are. Of course, his daughter was working for the People's Government of a town a few kilometers away. The People's Government took her away, and the People's Government should pardon me but they took away many people from all over, not only in the cities but also in the countryside.

I asked him: Do you have a cow? He said: Yes. I said: What do you do with the milk, do you make cheese? He said: Yes, I make some cheese, but I also feed the hens. I said: What do you mean you feed the hens with milk? He said: Yes, I give them bread in milk.

Those are the most expensive hens in the world! [chuckles] That is in the middle of the countryside where you can plant a lot of things and he told me this in a very ordinary tone. I philosophized, I did not criticize. I thought about the different forms of property throughout history, cooperatives, small farms, independent agriculture, and the crazy people who thought that that kind of small farming was going to resolve the supply problems.

This is why I say that (?well, I do not know) I do devote with great pleasure the time I have to these programs, because they are more important. If a lightning bolt hits all those people, through the party, I will be happy. [applause] A lightning bolt. I will be happy if the party tightens up as much as it should in this. My hands will hurt but not from chocking the neck of those people but from applauding. My hands will hurt from applauding. I agree with supporting [applause] the fight against those who do not comply in services, and the fight against thieves and diverters of resources, and the fight against criminals. I applaud this very strongly. They are enemies of socialism; they are enemies of human progress. The arguments of imperialism and capitalism are that socialism cannot solve these problems. We have to show capitalism that we can solve many problems that they cannot solve.

They have not solved the problem of public health, not even the richest countries. They have not solved the problem of education, not even the richest countries. They have not solved tons of problems, like unemployment, not even the richest countries, because they work people to death and then throw them out on the street; millions of people at the least economic crisis. The revolution does not do this even during a special period, not even during a special period.

So if tomrrow a lightning bolt hits here and there.... [changes thought] So capitalism has not solved any human problem, any social problem. It has not solved the problem of drugs. Drugs have destroyed it. There is prostitution, gambling, alienation of all kinds. Capitalism has not been able to solve the problem of the elderly abandoned in the streets. Capitalism has not been able to solve the problem of homeless children. In Latin America alone they say there are 30 million homeless children.

In many countries they have death squads to kill children who, since they have no other way of making a living, live by stealing. Those who go to other countries see the children cleaning windshields and doing horrible things, risking their lives in the streets at all hours every day, and begging. Capitalism cannot solve this even in its greatest and richest capitals. Capitalism cannot solve any serious social problem. It has not been able to bring justice to society. It has not been able to bring equality.

What equality? What equality can there be between a multimillionnaire and a beggar? It is a joke when they talk about human rights and equality. They have not solved anything, and they are more and more alienated and degenerated every day. Every day there is more vice, more violence, more sex, more vice of all kinds. That is capitalism: more exploitation of the Third World, more looting, more stealing of minds.

Why do we have a good number of great minds here? I would say we have a large number of great minds, in whose name some outstanding comrades have spoken here, when we were discussing the point about science and biotechnology. It is because they cannot be taken away for all the gold in the world. [applause] Is it because we have enough money to pay our scientists? I ask if we can even try to pay them? The most likely thing is that they will be indignant if we said we will give them some hard currency so that they can buy things at the store. How much would we pay them, 1,000 pesos? 10,000? If they could earn 100,000? [word indistinct] What could we try to buy if there is no awareness, no patriotism, no ideas.

Capitalism goes around looting the Third World of its best minds. They pay them, because in their own countries they do not have jobs. They do not even have laboratories. Some leave because they do not have laboratories. That is what capitalism does, on top of the enormous scientific, technological, social, and economic difference, they steal our best minds. Capitalism does nothing but loot the world, exploit it in all the most merciless ways there are. It has absolutely nothing to offer the world.

How can you solve society's problems by trying to copy capitalism? By using capitalist methods? That is madness. That is something that should be dealt with by Conchita and the Findley Institute, to see if they can

make a vaccine. We must make a vaccine, because that is a mental illness. I do not know if the people in genetic engineering can put a gene in somewhere against madness, against capitalism, against whatever. It makes no sense.

It is madness. So it has not solved anything, while we have eliminated some strategic things. Some things will remain with us. With crime, they will learn, because they will see what real prisons are like. They will find out what real prisons are like. [applause] The softness, the excess of legal proceedings, and red tape and all these things must end. The comrades are working, the party is working, the Ministry of the Interior is working, the Revolutionary Armed Forces are working. Everyone is working together on this. The National Assembly, the Ministry of Justice [words indistinct] paternalism. Gentlemen, paternalism was what brought indiscipline, disorder, work.

You can see what the new concept of collective discipline established by the contingents means. What the comrade of the first industrial contigents said here was that we have put an end to all that. This is the special period. We are moving little by little, but that industrial contingent was a phenomenon. It was a huge, impressive success. With the same workers who were there—there is no one new—you know how they increased productivity.

So, many of these things were from paternalism, and those people thought they would never be punished. Those who took a truck and falsified a pass and took away a whole truck, I think they should be jailed for a long time. [applause] If the law is not enough, if it is not strong enough, then we should have new laws. There have been many shameless people around, who also demoralize others. This activity must be repressed. It must be prevented. We must be rigorous. We must be selective. If we are not, it could lead to mass corruption.

Unfortunately, there are some cases of mass corruption. The failure to pay bus fares is a manifestation of mass corruption. I do not know how many do this, one in three. This does not happen with capitalism; it is not going to happen with socialism either. Is socialism going to go crazy now, show all its force, put the army in the street and force all those who do not pay to get off? No, there will be time for that. There is coming a time when the buses will make fewer runs. They will make fewer and fewer runs. There are circumstances, so that sometimes people have to travel in very difficult conditions, and paying is difficult.

There are shameless people. We have to fight against any trend towards the spread of corruption, of course. We have to know where to attack first, what to attack with the most force. All this demands a study of tens of thousands of pesos on this kind of stealing that appears in the newspaper. We have to teach them that this has no future. Those who go to a dairy complex where milk is being produced for the people and they take a cow and cut it up. We must show them that they have no future. Those who because they have had money act like Mafia bosses, we must show them that they have no future.

This is the fight we are carrying out and we are going to carry out consistently. It will take more than one day. It will take more than one day. [repeats] We will have to take advantage also of the people's patriotic spirit. We must shape consciences. We must tell the people you have the duty of cooperating, fighting, combating, going out and combating it wherever it is. It is not just a question of combating only when there is a Yankee soldier with a gun, or B-52 planes drop bombs. We must defend the revolution by fighting small battles every day. There must be good moral. We cannot ever let morale drop.

I say that socialism will win this battle. It has won much more difficult battles, and it is winning them. So it is winning all those battles concerning productivity and organization. What the country has been doing during the whole rectification process has been truly impressive. It has been interrupted right now but this will not last forever. There is a special period now but it will teach us a lot. We should come out of this special period three times as efficient, three times better. Before they made four cubic meters of concrete, (?four) cubic meters of (?wood) and now they (?probably) produce 90. [Words indistinct] and the many examples that were presented here show how much we can save.

The habit of wasting was created when rigorousness and revolutionary vigilance were relaxed. In a few words, when we started to play at capitalism. None of these methods I have mentioned have anything to do with capitalism. That is why everything that is stated there in the report... [changes thought] That report has received the approval and support of all of us in each of the lines of work and action it has noted.

We were not going devote our assembly to discussing one by one all the things we had to discuss. I believe we had to devote the assembly to discussing in depth two or three basic problems, as we did in Santiago de Cuba and other places. We have analyzed key problems. They are problems that show the revolution's and the party's strength. When we talked here about the food plans, we discussed our contribution to Havana Province.

Of course the country contributes.... [rephrases] Havana contributes to the whole country, to all the plans, and the research centers and the achievements Havana may have are applied throughout the country. Anything in biotechnology is applied everywhere. The country is also contributing in Villa Clara, Holguin, seeking seeds, seeking new varieties. [sentence as heard] They are contributing to these programs in various parts of the country. We discussed the part concerning solutions for tubers and vegetables in the city, Havana City and Havana Province. We did not discuss the pig-raising plan, because the pig-raising plan is a national plan. We are not building any pig-raising complex here. Well, the Blas Roca contingent has done the earthmoving. That is a task mainly

for other provinces. We can cooperate with them in harvesting food and all that.

We have not discussed the milk plan that is being carried out throughout the country, in Havana Province, although the report mentions the efforts that have been made at the dozens of dairy complexes the city is rebuilding. Our feat now is what we are doing at the vegetable crops enterprises. This is a feat. I say this without any exaggeration, because this program has not been carried out in a few weeks. A national food plan was being carried out, of course, but something special was needed here.

The true essence of the case of Havana agriculture had not been dealt with. It is true that the party had to deal with this, and the government, the Ministry of Agriculture, many people had to deal with this. Vegetable crop farming had more than 50 schools, and it had the vacation work by students. They did the work a good part of the year. They harvested potatoes, onions, garlic, tomatoes, and whatever. However the true phenomena was not perceived with all clarity, that over several years industry absorbed, services absorbed, People's Government absorbed, the labor force of Havana Province.

Some of the offices absorbed it. This is nothing new, and it is a battle that we had already been fighting. The staffs, the inflated staffs absorbed a lot of people. This is a battle we have been fighting. Now there is more awareness of this than ever before. The vegetable crops enterprises were left without a labor force, without agricultural workers, who are the ones who do the weeding, plant, and harvest, when there is no machinery. The state had 1,700 caballerias and 1,900 agricultural workers. That is hardly one worker per caballeria.

The cooperatives had their people, because they had much more income than the workers because they owned what they produced. In addition, the cooperatives took many of the best agricultural workers when the cooperatives were organized. That is the advantage they had. The state helped the cooperatives a lot, because we considered them a better form of production than individual farmers. We gave them materials and resources so that they could build housing. The cooperative members built housing, while for many years the reality.... [rephrases] This was part of the concepts that had to be rectified. No one knows where they came from, or rather, we know but it is better not to look into this but agricultural wages were pitifully low wages.

One of the first things the rectification process did was to eliminate that wage of 80 pesos many agricultural workers still had. Two labor categories were eliminated. This improved and ameliorated the situation but it did not solve the problem. When 1,900 workers were left and many of them were older, this did not solve the problem. No one was going to exchange work at the little shop in the town for work in the furrows, even though two categories were eliminated and the wages were raised.

Then there was the business of standards in agriculture. That was hell. Cutting cane is something different. In industries there is often the possibility of measuring. In agriculture there were as many standards as measurers, as many standards as the number of millimeters of a weed's height. If a weed was like this, there was one standard. If it was like that, there was another standard. If it was some other way, another standard, and so forth. There were about 25 standards.

In addition, the administrators were desperate because the weed was so high that they could not even see the workers. There was a war every day between the measurers, inspectors, and the workers. We had to find other formulas for that madness every day. Standards are not the only way, although standards are the appropriate way for many things. In some things it is madness, running rampant, because it is unmanageable. So the standards were relaxed so that worker would not leave.

Sometimes the agricultural worker was the last card in the deck. The housing programs we were building at one time, in the sixties and seventies, were halted in 1975 with the system of economic guidance and planning. They were halted. They ended. An illegal vendor could build a house but an agricultural worker could not. An illegal vendor could go with his truck, and someone who planted half a caballeria of garlic and sold it on the free farmers' market at one peso for a head of garlic and got 100,000 pesos could come to Havana where things were sold without restrictions. He could take away materials to build a little palace. An agricultural worker could not.

All this halted the cooperative movement. People began to earn incredible amounts of money. It is good to talk about this, because there are still some comrades around who are illegal vendors, there may be some who are doing it with good faith because they do not understand these phenomena. They do not know, they have no idea what true socialist agriculture is. It should also respond to the specific conditions of each country, the specific conditions of each country, [repeats] the level of development, mechanization, etc. Rather than forming a collective enterprise with rustic methods, it is better not to do anything.

The Chinese themselves rectified some of these things, because if 10,000 Chinese are going to plant 1,000 hectares of rice, you have to form an army first, then a division, then a regiment, then a battalion. It was almost better to say: Take the 900 square meters you get, or 700 because a mu equals 700 square meters. They were not mechanized. It was undoubtedly a wise decision. I have thought a lot about this in the case when agriculture is not mechanized, when you cannot use a combine, a plane, or anything.

China has 100 million hectares of land and 800 million peasants. If they mechanize it, what are they going to do? How much would it cost? How much fuel, how many machines? What are they going to do with 500 or 600 million Chinese? That is a great [words indistinct] in

which each one is assigned a little plot. There is no possibility of using combines or anything. Rice is planted by hand, plant by plant. When I was talking about this I said that the Chinese divided [the land]. It is incredible. They feed over 1 billion with manual methods, extremely manual methods. They use technology to find varieties and everything they can but they use the manual method.

I have made some calculations about our rice fields. The rice field in southern Jibaro has at least 30,000 hectares. If we were going to divide it up into little plots of 1,000 square meters, we would need 300,000 farmers to divide up 30,000 hectares of land. There are no two countries alike, not even in the way they do things. So I say: In China there are Chinese. [chuckles] When they are going to farm 800... [corrects himself] 100 million hectares, they have 800 million Chinese.

There are Cubans in our rice fields. [chuckles] If we said: We are going to do that reform and give one hectare to each one, we would need 30,000. I would like to see the people in education, public health, transportation, trade, and everything else providing services for 30,000 families.

I would like to see the rice field with all its canals and everything, one with 500 square meters of plantains and another with 500 square meters of sweet potato, yucca, some yam, and whatever, and next to all that a little rice, if we divided up that land. When other countries began to talk about dividing up the land so that private property would solve.... [rephrases] I am not talking about China now, but other countries that have a lot of land but do not have the people to do the Chinese kind of reform.

I said: Why invent the independent farmer? Who knows him better than us? We did not do our agrarian reform just like the others. We have 70,000 independent farmers. We do not have to invent them, because we also know what they produce. I say we will respect them until the end of time, because the revolution's word is eternal. When we did the second agrarian reform, we said: You can have up to five caballerias, no problem. We have farmers with 60 hectares or something, not with half a hectare or one hectare. We did not have to invent the independent farmer.

The other day as I was making some comments in Santiago de Cuba.... [changes thought] They have built a great egg-producing center with a capacity for 500,000 hens. We were talking about it, especially about how much energy is used. Since the people.... [changes thought] It saves a lot of people, but that is not our problem there, so as an experiment to see, all right, we put in the 500,000 hens. The center has 500,000 hens. I asked the ANAP [National Association of Small Farmers] people: Tell me, what is the average number of hens an independent farmer has? They said: About 10 hens. I said: Ten hens, so to have 500,000 hens there would have to be 50,000 independent farmers to produce the eggs that the poultry center alone can produce with only few people. The eggs can be collected there with a truck and the truck comes for them to only one place.

You can imagine if the egg supply depended on independent farmers with 10 hens per farmer and assuming they had the egg productivity ours have. Say 20 hens each, even, but with 10 hens, the most likely thing is that out of every 10 eggs, only two would go to the market, or one. In our henhouse—as I jokingly called the gigantic thing there—all the eggs go for distribution to the people, directly. Imagine how many vans, trucks, bicycles, motorcycles with sidecars, oxen, and carts, would be needed to collect the egg production from 50,000 farmers, to collect one or two eggs per farmer.

Tell me if that has any future, or if that has any future anywhere in the world. It is complete madness. One day I calculated more or less how much the Chinese peasants produce. Chinese peasants are very hard-working. They have high productivity levels per hectare because they plant the rice plant by plant. They get two harvests in a short time because they take the plants from the seedbeds and plant them after about 30 days. The time they are there before a great worker harvests them is shorter.

I was talking with the Chinese agriculture minister who oversees all this production. He said: We hope they produce 500 kg of rice per mu. That is high productivity, but I calculated if a Chinese peasant produced 500 kg—some of these figures can be subject to analysis, but they would not vary much.... [changes thought] I began to think about these plans for the engineering system for rice that we are doing, with our 170,000 or 180,000 hectares, some with two harvests, because water is the limiting factor, doubling current production, and I calculated that about 600,000 tons of rice could be produced in the future.

If we calculated half a ton of rice per man, if we calculated half a ton of rice per man, [repeats] we would need 1,200,000 men to produce the 600,000 tons. When we have our flat terraces, they will produce this—and I think I am exaggerating greatly—with not more than 10,000 workers, because that is with machinery and equipment. We could not adopt the Chinese method. I do not know if you know, if any of you knows where to find those people who are going to plant rice one by one. Are there any volunteers here? I think so, because your spirit is such that you would even be capable of volunteering.

Speaking seriously, where are those who would plant by hand, and what alternative does Cuba have other than highly mechanized agriculture in which a plane sows the rice, fumigates it, and it is harvested by combine. Where would Cuba get, where would Cuba get [repeats] 200,000 farmers for rice, or 300,000 or 100,000 or 50,000? I am saying this because I am a strong proponent of socialist agriculture. China is a socialist country, but they have

adjusted the methods of working the land to the realities of their hundreds of millions of inhabitants. They give them this work and feed them there.

I know also that historically, traditionally, the Chinese are very hard workers. They are tireless, they never stop, and they are capable of doing this kind of work, but they adjust the form of production to their conditions, as a socialist country. They have organized the country under the leadership of the working class, under the leadership of the party, with a planned economy. Well, I say that each of these matters responds to specific situations. There are other places where this is not so. So if we were to use the formula of dividing up the land, we would destroy this country and this country's possiblities.

I was saying that in Santiago de Cuba—another example—they produce almost 200 million arrobas of sugarcane. The state produces almost all of this cane. The cooperatives produce 27 million and the individual farmers produce 10 [million arrobas]. They also need help in cutting the cane. In addition, eggs must be distributed among the small farmers. I say this for those who dreamed illusions of the free farmers' markets, which began to take fertilizer away from the sugarcane and all those crops to use it for what they wanted because there was a shortage on the market, and because in addition they could ask whatever prices they wanted. If everyone asks their own price it is not free or anything. It is a waste of time.

Many products that previously had gone to the state collection agency, ended up on the free farmers' markets. So there were people who remember buying a few eggs at the free farmers' markets, and they do not remember that it is the state that supplies the whole country, including hospitals, schools, social centers, homes, everything, with 2.7 billion eggs. Some people bought a few cuts of horsemeat on the free market. They do not remember that all the beef that is distributed in this country—and many of it to child-care centers and hospitals—all the beef is produced by the state.

Practically all the fish produced in this country is produced by the state. The state produces 80 percent of the sugarcane produced in this country. The state produces almost 100 percent of the rice produced in this country. The state produces almost 100 percent of the milk that is distributed in this country. The state could make cheese from this, but it would then have to take away the milk from a child-care center, if it wanted to, or it would have to import milk. The ones who saw a little piece of cheese thought it was great and he probably thought that the small farmers were superefficient because they produced cheese and the state did not. The state was distributing more than two million liters of milk a day. The state distributed all the cream cheese, ice cream, and dairy products.

Likewise the vast majority of citrus produced in this country and exported is produced by the state. Beef, all the beef produced in this country and distributed in this country is produced by the state. Well, somewhere around there someone may appear with a pig's foot. In Santiago de Cuba we were analyzing this. The small farmers deliver 140 tons of meat. A single pig-raising complex, of the 11 which have already been built in Santiago de Cuba, produces 20 times [as much]. If we thought we were going to solve the problems of supplying food to the populace with those rustic and prehistoric production methods, well, we would really be crazy.

Now, what a state enterprise produces of whatever goes directly to the people, all of it. I would say that the cooperatives are also institutions that cooperate. We can work with them. They are efficient. A suitable enterprise can use sugarcane combines; it can use machinery. We also coordinate with the small farmers. I said before that they have 8,000 hectares. Now with part of them planted with cane, they have 9,000 in vegetable crops.

We coordinate with them. It is easy. What do you like to produce? Garlic. All right, you have garlic. Potatoes. There you have potatoes. If we are going to reduce potato production, we are not going to reduce them for the small farmers. We will reduce them for the state. Whatever you want, gentlemen. Beans? If one does not want to grow beans, all right; the state will plant beans. The state rotates crops twice. The small farmers do not always do two, because one with beans is for subsistence and one with rice is also for subsistence. When a small farmer has a hectare, you can generally count on one crop. Some harvest two crops.

We coordinate perfectly with the small farmers. Of course, the state uses land better because many times we can get up to two harvests. We can harvest tomatoes and then potatoes. After the tomatoes some rice can be planted in the spring for self-sufficiency and the like. After potatoes, sweet potatoes go well. After tomatoes there is yucca. We were talking about that the other day, how much yucca and how much sweet potatoes, because one cannot do this in an arbitrary way. There is a factor that the comrades in agriculture take into account, and it is that yucca uses the land almost year round, 10 months, 11 months. Sweet potatoes uses it four, five, maybe six months.

They have to make the plans for the cold season. That is why when I wanted to pressure them for a little more, when I wanted to pressure them for a little more yucca, [repeats] they brought up the issue of the cold season program, which comes afterward. If a lot of yucca is planted, they cannot rotate it with the crops they have to plant after it. This factor also has an influence. I was more in favor of yucca than sweet potatoes. I am clarifying this because perhaps this point was not completely explained. This cannot be capricious, right?

We will keep yesterday's survey very much in mind, but, in short, I was saying that we can work with the small farmers. Small farmers give priority to food for their own consumption. Very good. For their relatives. Very good. For their friends. Very good. And their clientele, which is

sometimes large. The state plants for the people, solely and exclusively for the people. There are no relatives or friends or any of that. No one can go to a state enteprise with a cart and take away a sack of potatoes or malanga or anything else. They have their food for their own consumption and their things there, but state produced tubers go to the market.

Now, can you put a sugarcane combine on a small farm? Sugarcane has to be cut by hand and workers from the capital often go to cut it. For years we went on cutting the small farmers' cane. They went to the mill to be paid and nothing more. The country had an interest in sugar, naturally. They went to collect the check after every harvest. This happened here for years. For plantains with microjet irrigation, I can tell you that every seven and a half caballerias need a processing plant. When it is aerial it goes on cables, and even loading the plantains require a lot of care because the plantains go from the field to the processing plant and are dipped into water. There they cut it by hand and box it. It is no longer damaged. They would put a 120-pound bunch in a cart and after a kilometer on the road it would be damaged.

Planting must be done on a large scale with the microjet irrigation system. It is a huge investment. It cannot be done on a small farm. The processing center has to be placed on a large plantation. Imagine 300 small farms, each with one-third of a caballeria of plantains. Imagine taking the plantains to a processing center. That has no future. They must be fumigated by plane. There are some pests around which are hard on plantains.

For sure, every time we make an effort here it never takes long for something to appear, because the enemy is hunting us, observing what we do, to bring us pests, things. These strange phenomena always occur each time we have programs. There is no way to spray for some of these diseases except by plane. Unless you want to climb a very high ladder to spray leaf by leaf. This can only be done on a large plantation, spraying of plantains on a large scale and all these things.

We are going to show that capitalist agriculture is superior to.... [corrects himself] that is very unlikely to be superior to individual farming. [sentence as heard] Individual farming really makes a minimal contribution to the country's economy, minimal. A lot of aid is given, the farmers are helped. They are given loans. When there is a disaster their debts are forgiven. The farmers practically do not pay taxes. They do not even know what that is. Cuban farmers are the most privileged farmers in the world. That is the treatment given them by the revolution as a brother, as a partner, as an ally of the working class, and it is the treatment we will continue to give the farmers.

If they want to stay for 100 years, let them stay, because really the amount of land they have is useful but it is no longer decisive. Right here, of the 42,000 hectares we are going to have with the addition of sugarcane, 24,000 of the state, 9,000 for the cooperatives, [totalling] 33,000, and the individual farmers have about 9,000. In other provinces we have a higher percentage. In the eastern provinces, of the 900 caballerias with irrigation almost.... [corrects himself] not the eastern provinces, Santiago, almost all are the state's.

Here we are analyzing what capitalist agriculture is, and what socialist agriculture is, the possibilities of socialist agriculture, all that. The 600 caballerias of plantains will be in land owned by the state, 500 with microjet irrigation. Only the state can afford to plant 500 caballerias with microjet irrigation. I want you to know that for each of these caballerias we must import all the materials, it costs about $25,000. They have phenomenal production. If the production was exported, in one year they would pay several times over for what they had cost in hard currency.

This requires large investments. This requires large expanses [of land]. Now, I want to see who can compete with the plantain plantations that the Blas Roca brigades, organized into a contingent, are going to have, with aerial microjet irrigation. They are also going to have the other type [of irrigation].

Who can compete with contingents such as these in production per person, in production per hectare? Well, this is socialist agriculture. Anything else is an illusion. [chuckles] One hundred plantain plants here and one hundred over there, as long as there are no pests.

Socialist agriculture is the irrigation system for sugarcane, the irrigation and plot drainage system that right now we are building with 201 brigades. This is socialist agriculture. Socialist agriculture will be the 180,000 hectares—let us say 170,000 to be absolutely sure but there will be over 200,000 hectares farmed because some will double—the 175,000 hectares that will be farmed with engineering systems.

This is socialist agriculture, twice as productive, dams built on all rivers in the country; major irrigation channels built on all islands to irrigate sugarcane, rice, plantains, all that, where there is no underground water; the exploitation of all underground water; high-yield irrigation systems. What is a high-yield irrigation system? The microjet system. They open a tiny faucet to irrigate several hectares. The faucet is closed, another one is opened to continue irrigating. Therefore, a man can irrigate who knows how many hectares per day. A high-yield irrigation system is the Fregat machine, which can irrigate up to 80 hectares.

If the land is divided into many small plots, it is impossible for a machine to go around every 50 or 60 hours. Only a single crop can be planted, potato, boniato, plantain, if you want, or sugarcane. If you want to have a high-yield irrigation system and high productivity per man, you cannot have small farms. This can only be achieved with large-scale agriculture, as I have said, with mechanized agriculture. This allows a high productivity per man. This is the agricultural system our country needs.

We must take into account that Cuba exports food for 40 million people. It exports calories for 40 million people. It exports almost 8 million tons of sugar. This tiny country feeds quite a lot of people. Before, sugarcane was cut by hand, now it is done with machines. We are planning to irrigate at least 80,000 caballerias. We are planning to build plot drainage and irrigation systems, which is a sort of engineering system in the sugarcane fields, for 800,000 hectares. There must be some areas that have irrigation systems but no plot drainage system, but figures do not reflect this. We have to develop 800,000 hectares, and we are developing them. This is socialist agriculture. A pig-raising complex that uses molasses, enriched molasses, proteinaceous molasses, food wastes from schools, restaurants, bars. This is socialist agriculture.

There are also the plans the country is carrying out in the livestock and fish-farming sectors. This cannot be achieved by private agriculture. This is going to be shown in Havana. Of course, it will be shown. We are going to continue with the small farmers. If someone wants three hectares of garlic; well, there you have your three hectares of garlic. If they get a few people and pay higher wages to help them harvest, there is no problem. If there is a cooperative or students doing vacation work somewhere in the country, well take them to the country to help harvest. They can help the farmer harvest. They can help him harvest garlic, onion, in anything he needs. Help him because it all comes to the market.

Who is going to take away the labor force? Who will take a single one of the 20,000 workers in the camps? Who will come and tell them I have some money if you want. I will pay you 30 pesos to help me harvest garlic. [chuckles] Now we are going to have what we need: the labor force. We have the machines, we have the equipment, we have the know-how, the labor force, large-scale production.

This is what will supply the populace. Imagine if we depended on free farmers' markets to supply bananas. Well, I can tell you that the 200 caballerias of bananas with aerial microjet irrigation have the potential to produce over 5 million quintals of bananas, those 200 caballerias alone. The other 200 with surface microjet irrigation have the potential to produce more than 3 million quintals of bananas by themselves. The other 200 have the potential to produce more than 1.5 million [quintals] of the famous plantains. Is there any other way to produce the necessary amounts of plantains and bananas?

We will collect them there in 10 or 12 places, not in 2,000 different places but in 10 or 12 places. They will already be processed to be taken to the domestic market, and if there is a surplus, only if there is a surplus, we will export some of these bananas. The distribution system, the agricultural distribution centers. There are four in four different directions. Many products are not even going to go through the agricultural distribution centers. Today, citrus does not go through the agricultural distribution centers. The enterprise distributes it directly. Some of these banana plantations in Havana are going to distribute them directly to the smaller markets. They are not going to go through the agricultural distribution centers. Why go there and unload?

Produce from the individual farmers will go there, because they carry three quintals of cabbage, two of yucca, one and a half of whatever, of squash. It is all mixed together in a truck. They must go to a place, unload it, sort it, load it onto another truck, but if we have a little grove of almost 8,000 hectares of citrus, some 570 caballerias, we do not have to unload our citrus fruit at any agricultural distribution center. The citrus enterprise has a little fleet of trucks, it processes the fruit there and distributes it at the small squares and markets. Unfortunately, they are distributing too much. They deliver to all the hospitals. They deliver to the restaurant centers, but citrus does not go through the agricultural distribution centers.

There is no other country that has this type of distribution system. A city like Mexico City—we have analyzed the experience of other countries—has a gigantic market for 20 million inhabitants. Everyone takes produce there, all the thousands and hundreds of thousands of different farmers take it there. From there it is distributed to about 15 or 20 large markets. From there it is distributed to the stores. Today watercress does not and will not go through the agricultural distribution centers. A number of trucks were given to the cress producers, and they distribute to the small markets.

We have to see that they deliver to each small market, see that they pass by a certain point, and monitor them. Bananas, citrus, many products are not even going to go through the agricultural distribution centers. They are going to go from the farm to the consumer. This cannot be done with any kind of agriculture, really, of a capitalist kind. Well, with socialist agriculture we are not thinking about profits. It may be that a crop yields much more, but the problem is not to give the populace only one crop. A socialist enterprise has as its main goal to supply the populace, meet the populace's needs, and not only the needs but the tastes, and to do so with variety.

Of course, with all the products, it should do so economically as well. It should also do so economically. If everything costs the same, we must push more a product that is more economical than others. The other will not disappear from the market. So socialist agriculture, as we envision it, is at the service of the populace's needs and not of profits, income, or any of that. It should be organized so that it can pay for itself. It should be organized so that it will be economical, but the goal cannot be simply to make money. (?It never wants to do a single thing.) Socialist agriculture must be planned in this regard, it is clear. In this regard, as was mentioned here today, it must show that socialist agriculture is superior to the other kind. We are going to show this, with this whole set of ideas I have been presenting.

I said at the beginning that this was a feat because this was organized, when the phenomenon was discovered in all its clarity. It was discovered last year. It was discovered in July. No one had seen the problem with complete clarity. No one and that is the truth. The provinces were asked to send supplies, especially in the second half of the year. I told them, no we are going to be self-sufficient. We have 140 square meters of land per capita for each of the 2.7 million inhabitants. This is apart from what the bronze factory has, and all those people who have their great estate, almost.

Because there was one who said they had four caballerias, gentlemen, four caballerias is.... [rephrases] what happens if a factory of the pharmaceutics industry over there needs land. They should be careful. [chuckles] Apart from all this, apart from this they have 14 more square meters, they have 154 square meters of land. It is enough to say that in 29 square meters of land each citizen will have two banana plants with aerial microjet irrigation, about two with surface microjet irrigation, and about one plantain plant. Because the caballeria with aerial microjet irrigation has many more plants. This provides more than four quintals.

The total land for the 2.7 million people is 153 [units not specified], but a considerable part of this land is rotated. It is rotated and two harvests are obtained per year. These harvests are more than 200 square meters per capita in tubers and vegetables alone. This is what each of the 2.7 [million people] have. This land can produce a lot if we have it as a garden, apart from catastrophes.

There may be catastrophes; we cannot free ourselves from hurricanes. If we have large plantations in Ciego de Avila and other provinces, and there is a catastrophe here, then we will use a little more gasoline to bring.... [changes thought] But we must have a reserve. The only guarantee clause is to have large amounts planted, and if there is surplus we can export it, and if there is a catastrophe we can eat it.

Ten square meters of potatoes produces about 50 pounds of potatoes, sometimes a little more. What each resident of Havana City and Havana Provinces has now is 25 square meters of potatoes. In total, between the tomatoes in Pinar del Rio and Havana, there are about 30 square meters of tomatoes [per person]. We are keeping count even of the square meters of each of the crops, what each one of them produces. I can say that.... [changes thought] And everything is irrigated. We have enough for an ample supply. We needed people, and we needed them at a critical time, the second half of the year.

We discussed this, but it must be said that Havana's response has been a great response. I must also tell you that both Comrade Lezcano and Comrade Chavez participate every week in the meetings of the executive committee of the Council of Ministers. They know that life is hard there. There, life is hard, because there everyone has to be ready every minute, every second, to answer all kinds of questions. Almost no papers are allowed there, and the answers have to be instantaneous.

I am a witness to the amount of work we have given them, from the social plans.... [changes thought] We have been holding these systematic meetings for the last two and something years. When the minibrigades started, we did not have these meetings. We had a lot of plans, which began with the minibrigade movement, all the schools I have explained here, the plans for hospitals, child-care centers, polyclinics, everything we have mentioned here. There is no sense in repeating it. Family doctors' houses, bakeries, that is almost the usual thing to do.

So you cannot imagine the amount of work we have given Havana. Social minibrigades have fixed things up, made repairs, telephone plants, and street repairs. The last thing we organized was a group of brigades for sewage repairs. They are finishing them. The only thing we have not made Havana do is build a cathedral. They did whatever was needed and became a need during this rectification process. Another example would be the work at construction materials industry. We have given them an enormous number of tasks and are giving them more and more.

Then the Pan-American Games came down on them as an additional little gift. Well, the INDER [National Institute for Sports, Physical Education, and Recreation] people and all the superspecialists said the Pan-American Games were necessary because of the philosophy and the art of sports, the science of sports, and whatever else. They did not lose the opportunity of asking for good facilities. When they formed a partnership with the draftsmen, well, there you have it. There is nothing more dangerous in the world than the combination of an investor and a draftsman. This is the case under socialism. When they get together, the one wants to build one of the seven wonders of the world, to design so that his glory will last for at least 2,000 years, and the other one wants it because he wants the best.

So the Pan-American Games fell to those of the province, helped by the Blas Roca [contingent]. Well, the Blas Roca belongs to the province. The contingent worked on earthmoving and rock excavations. The Ministry of Construction took on some of the projects, but most of the work for the Pan-American Games fell on the province. In addition, we gave the four agricultural distribution centers to the province. In addition we gave them about 150 small markets, as it was then. Later it rose to about 170 small markets, produce stands, and markets and all those things.

We asked them every week how things were going. We made criticisms whenever there was a delay. So Comrades Chavez and Lezcano know what criticism is, as all the comrades on the executive committee know. This is not shown on television, and it is better that it not be shown, because sometimes we use harsh words. I think one must always be courteous. [chuckles]

In addition, when this whole problem with the situation of agriculture in Havana was discovered, and that this problem must be solved, and that it must be solved as a priority, I told Lezcano: Organize as many minibrigades as necessary without wasting one minute, because 40 camps must be built. We must build a total of 60; 40 in Havana City Province and 20 in Havana Province. We must say that the effort by Havana Province has also been notable. The first 30 must be finished by such-and-such a date and the other 30 by such-and-such a date. That is it. When March comes there must be capacity for 20,000 workers.

All this is happening in the special period when often finding pipes for bathrooms is something better left to a magician, Mandrake the Magician, really. This kind of pipe, the other kind, and the other, and everything is needed. I told everyone this is a priority. The province was told that if the minibrigades' resources must be devoted completely to this, then they must be completely devoted to this, the trucks and whatever else. The Blas Roca contingent was to move earth here and there, and the Havana enterprise was to move earth. The earth for the 60 camps had to be moved, the 60 camps had to be finished by now, and here we have the 60 camps, the 60, plus others, 62, plus one that the Blas Roca built, I think that is 63. We still do not know the number for sure, but there are more than 60 camps of the very highest quality, more than 60. [applause]

They are hotels. Here is the concept of attention to the workers. This was discussed. I want you to know that each camp was discussed by the executive committee. We asked the eight enterprises to come and tell us where in the world they had located the camps. That one there, very good. This one here, very good. This one here, very good. That one there, very bad, very bad. [repeats] Why is it so far from the place they have to farm? Why did you seek out a rocky place for the camp? The most important thing is that people live next to where they work, to save millions and tens of millions of kilometers per year of traveling.

If we have 22,000 hectares, what does it matter if we use 100 so that 28,900 will have the labor force they need and maximum productivity? [figures as heard] You have to put the camps in the exact, precise place. There we discussed where each camp was to be located. This was not left to chance, for each enterprise to locate them. The central government discussed with the enterprises and the Havana Agriculture Office where each camp should go.

The idea of the camps was followed by that of the towns. The camps were what was going to solve [the immediate problem]. Now, tell me where the towns are going to be, calculating one community every 80 or 70 or 80 caballerias, depending on how the geographic distribution shapes it. The town goes in the center. Come with all your maps, and tell me where each town will be. This town here, and this town here, and this town here, good; and this one here, why? Because there were Fregat machines or whatever there. Towns where built in the middle of the fields. Well, one was built in the middle of the field, because the machines made a very large circle and bumped into the town in the middle of the field. Yes. [chuckles] In the plantain fields, sometimes you have to take into account the planes that are going to spray and other things although the towns are not going to have tall buildings. They will have no more than one, two, or three stories.

We discussed one by one where each town was going to be located and the principle that the town had to be in the center. I established some rules on my own because experience surely teaches us. We have had more than one experience with agricultural towns. We wanted towns at the beginning for a certain thing, and after 10 years none of the people who lived there worked.... [rephrases] They had become drivers for something else and none were in agriculture activities. This has happened to use more than once, but that was the last time. I say that it will not happen this time because the rules are ironclad. I said it clearly to all the comrades, especially to the draftsman and physical planning people, with whom I have had some differences of concept in the matter of urban development and towns.

I said to them from experience: This is not authoritarianism on my part, nor because I hold a post in the government or the party. Do not think that I abuse those things. There is nothing further from my mind than abusing whatever power I have, but if I make use of something, it is out of convictions. When I am convinced that something is absurd, I fight, really. Then I do fight, but by virtue of, in the name of reason. I said this to them in these words, listen, with these words: I do not want towns at crossroads or intersections, nor do I want towns beside the highways. I do not want a new town beside an old town. Why was all this?

Listen, wherever there was an intersection a town used to be built, a few houses where built over here, other houses over there, and other houses over here. It was a disaster. Can you imagine a town at an intersection, where one highway passes through here and another highway passes through there? There are some of those here. I do not want a new town next to an old town. You know, because there is a little village there, so the physical planning people had a tendency—if they want they can defend themselves when their turn comes at the next assembly [laughter]—a certain tendency to say: here is a little store, here is a school, a store. There was an old town of those, heterogeneous. They built in four boxes, those tall, four-story buildings for workers.

An agricultural community was never created there. It was a hodgepodge of all the occupations there were in the province. One person would be a trade inspector; another would be a bus driver for something or other. Another would be working in who knows what store. Another would be a teacher of who knows what. Fifty different occupations at 50 different places: This will

never form a community. The idea is to create agricultural communities. Imagine the 30th Russian Brigade with a town in Guines, or any of the little towns there are out there. They would be a hodgepodge of these people, who would no longer be a brigade and would no longer be a contingent.

When they put four boxes there on a corner in a large town, and they said: This is the town of workers. It may be that after a certain length of time, of each 100 who came, 20 are left in agriculture. That dog will not bite us again, ever. At least as long as I am breathing and can fight and shout and there is someone who pays attention to me, I will oppose [applause] I will oppose [repeats] the repetition of these mistakes. We want agricultural communities in which everyone is thinking about agriculture and is a family working in agricultural activities.

Those who work there in the stores, I have already said.... [rephrases] Yes, I already said that. Really, I said something undiplomatic but maybe it is very just. [chuckles] I said that they are not going to be organized by the Cuban Women's Federation nor the Ministry of Education nor the People's Government. No one is going to organize that community. I said: Look, we are going to organize that community. We are going to say how many workers there will be at the barbershop, and how many will be at the store, and how the child-care center and the school are going to be. Because, listen to me, gentlemen, after a great battle, only 48 workers were left at these child-care centers. That was an exception. Since I have spent my life in a private war against inflated rosters, this is the only thing I yielded on a little, thinking of the children. I said well, why would I get into that problem. Probably it will affect some service later.

We are not going to get into that for now. We will leave 48 workers for a child-care center with 210 [children]. If not, one out of every three child-care centers would have 60 or 70 workers. That is overstaffing and having inflated rosters, excess personnel, and all that craziness. We have invented many types of craziness. If you want one more definition of the rectification process, or what rectification is, it is eradicating many of the types of craziness we have invented in building socialism.

Almost 50 people.... [changes thought] They did not want to put a family doctor for the towns there. Instead of having bunches of little offices and 20 more things, I have the family doctor, so they will have two nurses, and one doctor. At least the mothers will be happy, unworried. They wanted about 800 employees for those child-care centers, but then they argued with me about one person who was the best of all, who was going to ensure health there. You already know what happens in those child-care centers. They catch all the bacteria around there, and everyone catches anything going around. The children grow up strong and healthy because they develop antibodies. They almost do not need Conchita to handle their illnesses, because they are immunized.

Well, the number of people, and I said: In the towns it will not be like that. In the towns there will be the spirit of the contingents. This is not two sliding shifts, or slippery, or superimposed, as they call them. Because here things have been invented, right? That some start at 0800 and get off at 1500, and others begin at 1100 and get off at 1900. None of that! You will pardon me if you are working like that. I am looking especially at the women, to see what they think. [chuckles] I said: None of this.

There, the workers at the school and child-care center and everything will begin in the morning and finish when the agricultural workers finish. Do you understand? If this is not so, after a short time there are more people in the town doing that kind of work than working in agriculture. We cannot repeat this story. There will be the same spirit of contingent at the school kitchen, the child-care center kitchen, the workers, and the child-care center, the store, the school, and that is that.

We will not have those crazy inventions we made. We do not want the party and the revolution to have to confront these problems we have had with agriculture again 10 or 15 years from now. We will have ironclad rules. If the child has to go to the child-care center at 0700, the woman goes. If she also finishes at 1900, he finishes at 1900. Her child, or her nephew, or her grandchild will be there in the mean time. There will be a minimum of people working there.

That is why we are building real towns, because the spirit of a contingent must be maintained after the towns have been built. So we are going to have agriculture.... [changes thought] I am going to see if there are going to be agricultural workers that are better than our agricultural workers, if they are going to have higher incomes, if they are going to have better living conditions, or if they are going to have better housing. The town will have everything. The architectural style will be that of the Pan-American village.

They are already making the models for each of the towns and they will have their sports areas. They will have everything. I will see if anyone is going to live better than the agricultural workers. The workers will have a lot of equipment. If by that time they have eliminated the [word indistinct] and the [word indistinct] and all those things, they will reach almost complete happiness. I think we have to use technology, machinery, science so that those who live there become more and more productive.

They must be willing to provide more food for the population or for export, in quantity and quality, with science backing them, finding new tomato varieties that will stand the heat, and potatoes, and other things, and yams, and whatever there is out there, with the backing of science, of mechanical sciences through the use of tractors, machinery, and equipment. They will have the support of scientists who know about land, scientists able to produce seeds in factories for better and better

quality products. Biologists will be backing them. That will be agriculture here in Havana and the rest of the country.

We are making this effort throughout the country, but we are really working hard in the western region because the revolution had to solve this and solve it once and for all, definitively, forever. We are not going to stop producing sugar. We are going to produce more sugar than we produce now, with the irrigation machines. We are going to produce more milk and more citrus fruit that we produce now. Our citrus groves, which will produce about 65,000 tons this year, should yield 200,000 tons of citrus fruit. This is not being developed for export. This is being developed for the 2.7 million inhabitants of Havana. It is a grove; it was made for this.

At one time they neglected other things. They began to import. The Ceiba citrus complex, which will also have a number of contingents and will have a number of towns, will have the most advanced agro-technology systems in the world for citrus growing. Localized irrigation will be installed for all plants. We are already working on this. Last year, localized irrigation was put in for 100 caballerias. This year it will be put in for 100 more caballerias. We are going to install this system in 100 caballerias per year, replant some groves, give them greater density by using more disease-resistant patterns, and above all, there will be no weeds, not even one liana.

We are giving a lot of importance, a lot of importance, [repeats] to this citrus grove, so we have included it in this program for contingents and towns. With this, we will exceed the 40 towns, because there will also be contingents in the citrus area. I said: Well, we can talk about all this at the assembly, but why? Because of the effort Havana City and Havana Provinces, the two provinces have made.

I criticized the people of Havana Province. I said that everyone has gone to work for the People's Government. I asked where the people were. Because Guira de Melena has 30,000 inhabitants and about 15,000 workers, and the 300 caballerias of state land only had about 120 agricultural workers. How can they get sweet potato or yucca or whatever? Who was left there when students working on vacation time left? The province took the criticism well, it acknowledged it, and in January all the towns in all those areas were closed. This is a well-known fact. The heat came, the rain came, the weeds began to grow, and all the camps were not yet finished, the whole labor force was not yet there, and they closed the towns. That is, Havana Province gave an excellent response. [sentence as heard]

Then there was another spirit. Agricultural workers began to work eight hours at least, from the four or four and a half they had been working. That is the truth and we must always tell the truth. Now they are working much more. Of course, does the feat consist only of having built the camps? No, the thing is we pressured them a lot and told them that they had to finish the agricultural distribution centers by this date, except for the refrigerated part which was the only thing left. Now they say that three will have been completed for distribution by the beginning of March.... [changes thought] But we really demanded that the province had to finish the agricultural distribution centers and that they had to complete the produce stands.

They had to finish the small markets. Listen, they were working on camps, more camps, new camps, agricultural distribution centers, produce stands, Pan-American Games—a tremendous amount of work was demanded of the province and it is complying. We must say that the Pan-American Games are a battle that has been won. Things are difficult in some projects but the problems can be solved. What a battle! To be able to keep the country's commitment. All these things had to be done together, and who knows what we will have to invent now when they are all finished but the task has been very difficult.

Now, has this been the greatest merit? No. The greatest merit was mobilizing people, making the masses aware of the need for this task, and the urgency of this task, when good habits had been lost. Of course, these mobilizations were preceded by other concepts such as what the camps had to be like, what comforts the people had to have, and what food. These were new ideas. This must be so. How to solve the mosquito problem? We had to solve the mosquito problem. The heat? We had to solve the heat problem, the comforts, more privacy, the division into cubicles, and all the things a camp had to have. These were analyzed one by one, and there are some things left.

We want the camps to have libraries. All are going to have an audio systems, so that the bell will not startle people in the morning. Maybe a Mambi reveille, or different music to the consumers' tastes, will make it more pleasant to wake up to in a camp. The camps are organized with ideas and concepts that I say are like those of the little towns. We have tried not to forget anything at all in these camps. They even seemed a little small and we asked for 30 meters more on the perimeter.

With the gardens there for aromatic plants, all the camps are really made with the maximum features the revolution can include at this time. The most important thing is mobilizing the workers from the capital. I would say that we have had the greatest success in this, the greatest success. I liked a lot the way in which it was conducted from the beginning because a member of the party municipal committee was present in each camp. This was the case since I visited the first ones. Wherever you went, the communists were there first, the UJC people first.

In my opinion, this is one of the most wonderful things, one of the things that distinguishes our party, our party's spirit, and it fully justifies its ties with the masses and the people's confidence in the party, in spite of the fact that we have passed through a disastrous time of discredit for

revolutionary ideas, discredit for Leninist ideas. Among the Leninist ideas in discredit is the idea of the party, as if it would be possible to organize a revolution without the party, as if it would be possible to build socialism without the party, without a truly revolutionary party.

I say one party, only one. We do not need two or three or four heads. [applause] If you cut a man's hand off and set it aside, another hand or another arm over there, a leg here or a leg there, if you cut him in two pieces, if you order seven heads to be put on him, then he will never be a man. The man will never be able to function. If the capitalists invented their style, let them! Why, what does it matter there? All right, the so-called market economic rules. It is the law, the law of the strongest, the law of the richest. Everyone is at each other's throat. Everyone competes against everyone else. Society is divided into a thousand fragments.

Those are capitalist things that they want to impose on our peoples of the Third World who are in pretty bad shape, with some exceptions because we at least have defended ourselves. We have not allowed the capitalist, imperialist philosophy to be imposed on us [applause] which is to create 10 heads to buy nine, to buy 11. Create 10 heads in a society, in a Third World nation, so that the 10 would dispute each other for everything, and the 10 would neutralize each other, and the 10 would cut each other's throats. Ten fragments of society, an arm here, another arm there, a leg here, another leg there, as if it was a butcher's shop, to keep the nations divided, weak, powerless, and incapable.

They have imposed this on them, and if they want it, may things go well for them, may it be to their benefit. We see the reality every day in the newspapers, in the international cables. What is happening there is chaos, anarchy, discontinuity. There is no policy, nor continuity of policy. There is nothing. We know what there is over there.

Of course, there is a revolution here. There is something here to defend, which is called revolution. There is something to defend here, which is called socialism. There is something to defend here, which is called national independence. There is something we must defend here, which is the existence of the Cuban nation. These are not silly things; these are not stupid things.

This is why we are not confused at all. A party is needed, leadership is needed. A head is needed; the party is the head of the people. It is the vanguard of the people. The party has to take its place, and it has to be a true vanguard in everything. It has to be the vanguard in time of battle. It has to be the vanguard in time of sacrifices. It has to be the vanguard in time of danger. It has to be the vanguard in time of heroism.

So there are people who do not want to belong to the party because it demands too many sacrifices from them? That is the greatest praise that can be given to our party. For me it has been especially encouraging in all my tours everywhere to see that most of the people there were members of the party and the UJC. The cadres were there. The party leaders were there. The political leaders were there. The administrative leaders were there.

I know about very high-ranking comrades who have been in these camps. Sometimes we need to take a hold of some of them because of the tasks they have. We have to say: Do not leave for two weeks. There is no one who does not want to go to the camps. There is no one. Scientists want to go. We say: Are you going to the camps? How are you going to go to the camps? What about the work that must be done? Prominent doctors and specialists also want to go. I am resigned to the idea that a specialist will pull weeds, for as long as there are weeds. This is unstoppable, because this is a party in the vanguard of the people.

It is not a party that drives on others so they will do things. Rather, it goes on ahead to do things. The Havana party must be congratulated for this line. It has had a great impact, a great impact on the success of this mobilization. It has pleased me greatly every time I have met a cadre there, an active cadre, a cadre setting an example, a cadre making the greatest effort. That is a communist party. That is a socialist party. That is a revolutionary party. No one will ever be able to take the masses away from it. [applause]

Human beings respect and they respect what they have to respect. There is nothing fairer than human beings, especially when they are educated, aware. They analyze matters coldly, they recognize men's merits. They recognize others' merits, and they know how to distinguish what works from what does not work, honest from dishonest, good from evil. I think that in this area we have been progressing and progressing and progressing a lot in recent times.

We have been progressing as the situation has become more difficult and the special period has come, and we are beginning to verify that we are great, not great in size, but great in historic stature, great in our fighting spirit, great in our revolutionary awareness, great in our organizational ability, and great in our strength. I know of many who come from elsewhere with doubts of one type or another, whether the UJC are this or that, and they are taken to a camp and they say: I am the one who is going or, we are, or whatever, [laughter] joining the others [UJC mobilization slogans]. They are taken to the contingents and taken everywhere. I was told about the foreign kids, young people, from a friendly Latin American country. They came to see some things, on different kinds of business, even some economic. They brought up some concerns and were taken to one of these camps, and they wanted to stay there.

They liked what they saw so much that they wanted to stay at a UJC camp. I think Cuba's and our people's prestige is growing, especially as time goes by. As they began to see that there had not been such a collapse. Do you understand? They are seeing that Cuba is something else, and that the Cuban revolution is something else,

and that Cuban revolutionaries are something else, and that our party is something else. [applause]

What country would have endured the economic blows our country has endured in recent years? People could not even imagine the things our country is doing in spite of these terrible blows, and the growing spirit and courage with which they are fighting and working. The people today feel ready to face anything. These are no longer words, this is reality. This is the people of our country's glorious history, of '68, '95, and the Protest of Baragua, who do not show it with words but with the things we are doing.

That is why the country's prestige is growing. The number of people who want to have contact with us, do business with us, cooperate with us in economic terms, is growing. When they move to another field that was discussed here, and they enter the sphere of science, and within the sphere of science particularly the field of the institutions that have been created here, they take their hats off. They cannot imagine, they could not imagine that Cuba has been able to do what it has done, what it has created in this field.

It astonishes many people. It causes admiration, of course, and interest in cooperation, because a few of these institutions are among the top ones in the world, among the best in the world but with the difference that they are of the same family and they all cooperate with each other. Capitalist institutions compete and fight against each other. They do not cooperate. In our case, there is universal cooperation. That is why we can do what no one else can do. If we want to do a medical protocol, we take three years, four years, five years less than anyone. If there are transnationals that do clinical protocols with 100 people, we do them with 10,000.

As I was telling a group of scientists, in discussing a center for laboratory animals, we have an excellent center but there is so much work that it is not big enough and it will have to be expanded. I said: No, no, if more laboratory animals are needed, we become laboratory animals. Yes, that was no exaggeration. I am not going to say that we would accept an experiment that could cost a life. There are some who would not accept this but there are volunteers for everything.

Sometimes monkeys are not plentiful, and monkeys are very expensive, and you have to do the thing with the monkey before trying it on people. We, however can reverse the equation, and try it first on people. There are things that are not bad to try, because anything that could happen would be good. I meant, we even have that. Our meningitis vaccine researchers worked with the live bacteria, and the first to be vaccinated were the reserchers themselves and their family members. I did not know about this or I would have jumped in and said no.

Of course, they had a lot of confidence. When a test is done on humans, it has been tested on everything. You cannot imagine the number of tests that are done; I even said that. Some illnesses.... [changes thought] They are going to do one against cholera, but you do not know what it is about cholera that kills. They know they have to hydrate a person immediately, what they have to have on hand, and if they have it on hand, nothing will happen. If there is no monkey to test the vaccine, any one of us will volunteer for the test.

They would not let me but I say, really, that I would offer myself with great pleasure. That is an example, is it not? They are going to do a vaccine against dengue. It will not be needed, it will not be needed, [repeats] but with this I want to say that we will even be laboratory animals if we have to be. The willingness is there.

We are breeding many monkeys, as many as possible. We are also breeding rats, mice, rabbits, and as many laboratory animals as needed. I was saying, all centers cooperate, all hospitals cooperate, all polyclinics cooperate, all family doctors cooperate, everyone. Can a capitalist country do this? Gentlemen, using a common phrase: It is a fight between the lion against a tied up monkey.

We have it all. A capitalist country does not have that force. Each hospital competes with the other. It is at war with the other one. Each doctor is at a war against the other doctor. Each polyclinic, each drug store, each research center is at war against each other. This is capitalism. Capitalism is that kind of trash. One sees it because of the experience of life. This is why it grows like wildfire. In a capitalist country, all universities compete against each other. If there are 20 medical schools, there are 20 schools which are each other's enemy. If there are 20 in Cuba, the 20 of them are doing research in cooperation. We are going to have all universities to do this. Any talented group that is working, is receiving support and cooperation.

We are going to have a true scientific explosion. We are having it. As I have said before, research used to be an area of the country's activities. Today research is at the center of the revolution's activities in every field, not only in this one. We can do more things in this field because of the reasons I already explained. We can do less things in other fields. Some countries got ahead of us in the field of electronics. We worked in this area at one time. Unfortunately, time was lost during the period I have referred to at other times.

We occupy a good place as far as advanced technology medical equipment is concerned. We also occupy a good place in medicine programs and computers. In biotechnology and other areas we are a locomotive and not the second or the last car. We are going to support research in all the centers. The oceanography group has to explain to us the greenhouse effect and begin to study it now. They need to study the heat. The geologists and physicists need to tell us from now on what happens if this phenomenum becomes a reality and the ocean waters begin to rise. They need to tell us up to where it will rise and if it is going to reach Reina Street or if it is going to stop at Linea Street. Now they are going to have to tell us

about all the theories because hundreds of the best scientists hold meetings every year. We are going to tell them: You need to be up to date on that. You have to analyze all the theories and hypotheses. They have to study whether the heat is increasing at such and such pace, what is needed, and how the heat will develop in the next 30 or 40 years. We see this happening in the world. Out of the seven hottest years in the last 150 years, six were in the eighties. The hottest one has been 1990.

Who knows what are the consequences of the increase of the water level, the increase of weather conditions, and heat, for a country such as Cuba. This forces us to study the theories in depth and plan solutions for future generations. Everything regarding how much farming land would be left if the tide rises three, five, or 10 meters is of interest. What we need to do to the soil to increase productivity and what can be done with harvesting crops in water—not salt water but fresh water—is also of interest. In my opinion, 50 to 60 percent more protein could be reached than in one hectare of land by harvesting algae, etc. We are working on that also. We need to study how we should harvest in the mountains, how we should harvest the hills, how we should protect the coasts.

We should find out what would be the historic period of time left if that phenomenum is already irreversible as many scientists are saying and what are the results of the combustion of fossil fuel such as coal, oil, and all that. What is the effect in the atmosphere and in the heating up of the atmosphere. This is also a little gift left by the developed capitalist world and the belief that each person should have a car and all that. They have burnt tens of billions of tons of fossil fuel plus the burning of forests, etc. We cannot live turning our backs to this. The oceanographers and geographers have work to do in that area.

I talked with Comrade Rosa Elena [Simeon, president of the Cuban Academy of Sciences] and said we need to study that. We also need to study the most varied harvesting techniques as well as the hypotheses of the problems the future generations can encounter in the next 30, 35, or 40 years. We are already seeing the greenhouse effect.

We are already seeing it in agriculture, in these heat waves, the absence of cold. There is only a little bit of cold in February, a little in December, and no more. With all these phenomena, well, there is work for all the scientists here, those in the mechanical industry, those in geology, those in various subjects. We are not going to exclude any scientific area, although of course the basic resources, the main effort, will be directed to those fields where we have unlimited potential and fields that the country needs a lot, especially during the special period.

This was reflected here, and I think that it is not often that we have been able to listen to a group of opinions, speeches, like the ones we have heard today, when they spoke about science, our scientists' ability, their human qualities, their modesty, their dedication. I am very happy that you have been able to hear many of them speak, so that the party will know what great people we have available, what talents we have, what prospects. We are putting resources in really very capable hands, and we are doing so throughout the country.

What [first name unknown] Galvez said is true; production in some of these fields may become greater than sugar, but sugar will always play a very important role, not only as a food product that is exported, but also as a source of livestock feed and a source of raw materials for important areas in biotechnology. In general, we did not talk a lot about this. Some products have not been mentioned here. We do not want to mention them until all the clinical protocols are finished. We do not want to make a lot of noise, a lot of fuss, and all those things. [laughter]

We are going at a great pace, and working very hard. That is why I agreed when Lezcano said to me: Let us discuss this. Well, this is a rather complex field, because you cannot talk completely freely, but I agreed. We talked about this, we discussed this, and we have not committed any indiscretions here. In exchange, our people who were listening to the assembly on the radio and television have had a great opportunity to listen to these comrades.

That is why I have gotten the impression that this is the best assembly we have had. In addition, the speeches by the comrades were very serious, brief, and open. Many of those who had not intended to speak spoke. They spoke because they were exhorted to speak; they were asked. They did not come with prepared speeches. Not a single silly thing has been said here, and you know how unlikely it is that no silly things would be said at an assembly. [laughter]

I do not remember having heard a single silly thing. People spoke with mastery, accuracy, and brevity. They reflected high quality, not only among those who spoke but among those who listened, because of the way they reflected and expressed themselves about each of the things that were said. Now, as Lezcano said, it is time to fulfill everything presented in the report that you have already approved.

New conditions have been created; serious changes have occurred. We have great hopes of the people's councils. I think a great instrument is being shaped. I should have had more contact with them. I have not been able to lately, but I look forward to the time when I will again exchange impressions with the presidents of the people's councils. We do not know how much they may help us in this battle we were talking about to improve services, and the fight against different forms of corruption and diversion of resources. We do not know what tremendous amount of strength we have in them, if we give them the authority, as we want to, and if they participate in this battle with the people's support.

I think that the people's councils, which in the beginning were thought up to solve certain problems in isolated areas, are today a way of organizing the people's government, especially in a large city like this. I have great hopes of the people's councils. I have great, great hopes for the spirit I see in the party and in you all. We are not short of tasks. We are not short of tasks. [repeats] Now you are going to put many of the things we have created to the test in March, April, and May—everything we have done.

You are going to set the small markets in operation, and we are going to bring in the first harvests, and we are going to see an army of 20,000 workers in our camps. We are going to see what this gives, also with the help of the student labor brigades, with the new spirit that exists in agriculture. We have a specific thing there, a very specific battle. It is the battle of our capital.

A few weeks before the special period began, very close to it, we had organized almost 30 street repair brigades. It was a formidable organization, with the trucks, the rollers, all of that. Now some of them are fixing highways in Havana Province. That is one of the things we were not able to put into practice. There are 65 brigades to repair sewer lines, ready now to begin to work. We have all the equipment. That was one of the things we were not able to put in practice fully, but perhaps in part. Today we have 45 compressors that belong to these brigades, and we are going to put everything we can into practice.

We have a great task in the matter of defense. I mentioned a lot of things, so many that one loses count. I did not say that we are building a lot of fortifications and a lot of tunnels. Thousands of men are working on this, and hundreds of machines, just in the city and the part surrounding the city. As Lezcano said, this is a very important task we have ahead of us.

Nothing is new and nothing surprises us about what happened in the Persian Gulf. Everything we thought was going to happen is happening. We told everyone, all the parties, publicly, what was going to happen. Not only what we thought, but exactly everything we said was going to happen is happening. I do not want to expand on this subject. The conflict is at a critical point right now. The United States has refused a peaceful solution. What they want is a bloodbath. The Soviet Union made last-minute efforts to stop the actions based on the fulfillment of the UN resolution. They did not even accept that. What they want is a slaughter, a butchery by whatever means. They want to test their weapons, to kill tens of thousands, hundred of thousands of people. They want to create an environmental disaster with all the wells burning.

News today is contradictory. We have received reports throughout the day. We do not know exactly what is happening, the intensity of the fighting, or the offensive actions that are being conducted on the ground. We have seen again one of the most shameful pages of history with a war that had already been resolved. The pretexts of the war had already ended. The imperialists were adamant to continue it. We have seen their style, their massive bombing tactics, the use of sophisticated weapons, the fear of engaging in a ground fight. They fear a ground war more than the devil. They would prefer a technical war even if they were superior by 10 to one, 20 to one in technology and weaponry.

We have known this for a long time. None of this surprises us. This is why we have been working and preparing for an all-peoples' defense. In the midst of building camps and preparing for the Pan-American Games and all those things we have the defense projects. We will do more and more. We will not neglect that for a second. Fortunately, we have been thinking about this for a long time. We have worked for a long time. Now that we have a surplus of labor, we need to estimate how much cement, iron.... [changes thought] We should intensify the fortification and defense projects so that the Yankees know how things are with us.

Of course, I believe the Iraqis have defended themselves well. They have shown themselves to be courageous. This is not our kind of war. Unquestionably, we have had different ideas of war and defense. It would be a different type of war. They would have to face us man to man, with us and a [words indistinct]. It is not a matter of bombings and planes in which they drop bombs here and there. If they fight on the ground with us, man to man, they are going to remember Maceo's cavalry charges. [applause]

Of course, you know that the revolution has always been characterized by its cold blood and the great sense of responsibility. Unfortunately, it is unquestionable that Iraq made serious political mistakes. It hurts us. It gave the imperialists their great opportunity on a silver platter; their first big action as owners of the world. This resulted in the most shameful page of history ever written in the United Nations. There has been talk about all this. The lone star of Cuba shone there like it never had before. [applause]

I believe that a glorious page of Cuban policy and diplomacy was written there. We truly did everything possible to prevent this war, everything possible. We acted in all directions and with the Iraqis themselves. The documents are there for history, showing what we proposed and analyzed, telling them all the consequences that process would have. The rest of them decided to sit on a bed of roses and create a large coalition which included Arabs, Muslims, NATO, and Security Council agreements so they could do what they wanted, prevail there with all their might, control those natural resources, and impose their hegemony.

History will also characterize Cuba's behavior during this period: what we told each party and what we did until the end without a single mistake in each decision, each discussion, and even voting in what we condemned and rejected. I believe that our doctors have written

another page. Most of them have not moved from their post. [applause] This is Cuba. Better yet, this is the spirit of Cuba. Our diplomatic personnel remained there. Everything could have happened there, nobody knows. Everything could still happen. We do not know where the barbaric offensive is going to stop, if they are going to occupy the entire country or if they are going to limit themselves to Kuwait, if they demand conditions. It is a dangerous situation. The diplomats, nurses, and doctors remain there.

This is the only country that did this. [repeats] The only country that did this. I believe that those compatriots of ours have given an impressive example. This does not surprise us at all. This is our people's usual behavior. The international opinion, expressed by all the diplomats at the United Nations in a open, direct, and indirect way, has recognized Cuba's role. Our country enjoys great authority at the United Nations because this coincided with the time in which we were at the Security Council. This is one more lesson the world receives of the imperialists' behavior, of how dangerous imperialists are if they feel alone in the world and owners of the world.

It would be very dramatic for the world if the USSR could not overcome its difficulties, if the USSR could not preserve its integrity, if the USSR could not continue being a superpower in the world. Today all the Third World peoples who were bombarded so much by the propaganda against socialism and against the USSR will realize how terrible a world is with unilateral U.S. domination. This is very scary except for us. I do not believe [chuckles] there is anyone who is more at ease than us, that has more confidence in its destiny, its people, its strength, its values, and its principles than us. It could also be that we do not know what fear is. It is not that we are of a different species. Courage and fear has to do with concepts, philosophy, certain ideas, and certain values of society.

I do not know if there is a gene that gets inside people's heads. They call it a genetic intelligence. They must have passed us something. [laughter] That has been going on for a long time, since the October crisis. There were no people more tranquil, more level-headed, or calm than the Cuban people since then, since early on. The new generations are better educated in that rebellious free spirit, in that defiance. These are people who do not know what fear is. This is marvelous. Everything can happen and there will be no fear. There can be all the fears in the world and there will be no fear. The Yankees can end up being the masters of the world and there will be no fear because they will know that there is a little town, one, that says no. A small town will remain independent until the last consequences. When there is a small town capable of doing this today, there is no other choice than to respect it.

This is why we are at ease observing the events. We do not believe the last word has been said. We do not believe that imperialists can enjoy the pleasure of seeing the USSR disintegrate. This is a country with a great history and great heroism which is living a very difficult time. It can be seen that society is more and more aware of the dangers of this hour, of the imperialists' intentions, and of the need to preserve the USSR. This lesson of the Gulf will also give many examples.... [rephrases] will give a great example and will teach the world opinion a lot. At the end, nobody will be able to take over the world, nobody will be able to be the master of the world. Those who attempt to do so are extremely crazy because this world with some 5 billion inhabitants is a volcano, it is ungovernable. It has so many serious problems that, even with the all the technological and military might, that country will not be able to impose its will on the world. We would not be the only ones to resist.

We are prepared. There is no other country better prepared for a time like this than Cuba. Incredible things have happened, the total collapse of the socialist camp within a few months. We had developed our economic relations in the face of the Yankee blockade. The incredible difficulties of the USSR have developed in a few years. We had counted on the Soviet support. Our economic relations were based on it. The imperialists are stronger, more arrogant, more spoiled, and madder at us—mad because they have seen our firmness, that nothing can dent the mood of our people. To have to face all these political and economic problems truly constitutes a big test and a challenge as only a country such as this one could face. We are prepared morally, mentally, and emotionally to face it. This is the wealth the revolution and the party has today. For the rest, in the midst of that euphoria, we can remind the Yankees of the famous song about the pirate—practically everyone read it when he was in high school, although I do not know if those little books still circulate. In my time they called it "The Pirate's Song," which said: If I die, what is life since I already gave it up, when the yoke of the slave as a brave man I shook off? We shook off the yoke a long time ago. [prolonged applause]

This explains our serenity, because a country that has been capable of shaking off all the yokes, the yoke of social slavery, the yoke of injustice, the yoke of colonialism, the yoke of neocolonialism, the yoke of tyranny, the yoke of slavery, will never know what fear is, will never be fearful of the idea of death, and much less when we know that we are not going to die, much less now. [laughter] Nobody is going to die because we are going to resist and because we know that we are going to win. [applause] In any case, there are great challenges in the economic camp or great challenges in the battlefield. This is why, comrades, let us say today with more reason than ever, with a greater conviction, and with more pride than ever: Socialism or death! Fatherland or death! We will win! [crowd joins in with slogan] [prolonged applause] [crowd chants: Fidel! Fidel!]

Inter-Caribbean Affairs

Regional Economies Said Threatened by Gulf War

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[Colin King report]

[Text] Bridgetown, Barbados, Feb 28, CANA—Among the early captures of the Gulf war were the Caribbean Community (Caricom) [Caribbean Common Market] economies. The region, striving for meaningful economic integration, saw the latest Middle Eastern crisis threaten its economies and prospects, already marred by the move towards single Europe, North American free trade, the collapse of communism in Eastern Europe, German reunification, and recession in the major Western economies.

Analysts said early peace might abate regional concerns about declining tourism and petroleum price rises, but predicted the war had ensured regional states will be able to secure even less external capital in future. "We have not yet witnessed any threat to supplies, of oil in particular, ...and consequently the war has not had the anticipated impact on oil prices or commodity prices which was feared before (war began) January 15," Barbados director of finance Winston Cox told an audience here last week.

Caribbean Tourism Organisation (CTO) secretary general Jean Holder noted however that the war "most certainly has already been affecting the Caribbean tourism sector," where performance was already weak. Cox added that whatever the other effects on the economies, financing of the war and postwar reconstruction by capital surplus countries will further divert external investment from the Caribbean.

However, a regional private sector representative maintained the war was only the latest global shock to highlight the region's continuing ill-preparedness to respond adequately to such events.

CTO's Jean Holder, who places regional tourism gross receipts at some 25 per cent of export earnings, cited a best case-worst case scenario of a 10 to 40 per cent decline in tourism under the influence of the Gulf war. "On the whole, the fears for multiple cancellations have not developed as seriously as had been anticipated in some quarters. I think that what was concerning people was the lack of new business—the lack of people walking into travel agencies and actually purchasing," Holder said.

According to Holder, there have been mixed fortunes across the industry, with well-marketed, "upscale" properties tending to retain business, as have destinations which depend on certain markets. "We have noticed a trend in the U.S. market which suggests that Americans are more responsive to advisories not to travel.... There's a certain paralysis in the American market with regard to travel.... Europe has been a little freer."

Destinations which have been marketing themselves heavily in Europe, especially in countries not intimately involved in the war "probably will do better ultimately as the season goes along," Holder said. He said destinations which are closer to the U.S. and easily accessible by direct flights, such as the Bahamas and Puerto Rico, were likely to do better than others which are also dependent on the U.S. market.

Holder however felt better regional collaboration was needed: "Getting in place and keeping in place an effective regional marketing strategy would be one certain way to be ready for the next crisis that comes along."

"Even before the war began, the prospects of the 1990's was that there would be a shortage of capital internationally," finance director Winston Cox noted. Germany and Japan were expected to use more capital domestically, the U.S. deficit was expected to require substantial international borrowing over the decade, international banks were posting weak balance sheets, and the opening of Eastern Europe competed with Third World demand for capital, he explained.

"We have to add.... the need for capital to finance the war, and when hostilities cease, we will have the need for capital to finance reconstruction in the war-ravaged economies."

Cox cited the case of Saudi Arabia, a major source of capital since 1973, recently raising U.S. 3 billion dollars on the international capital markets; Germany and Japan's commitment to contribute funds to the war effort; and a 500 million pounds sterling float of bonds by Britain in January, to be followed by another one billion pounds worth over the rest of the year.

"These markets are really going to be under severe stress to provide capital for developing countries like Barbados.... the cost of capital will increase and windows of opportunity will become smaller," Cox said.

"Since we are already under threat to our capacity to earn foreign exchange, when we add to that the threat to the availability of foreign exchange for borrowing, it means that countries like ours can find themselves with a severe shortage of capital for our development efforts."

The increased pressure on regional economies, especially those with economic adjustment programmes, is clearly unwelcome. Jamaica last week gained International Monetary Fund (IMF) approval of an application for special help to pay for oil imported after the early steep rise in prices. Prices have since dropped below pre-invasion levels but the January-March bill is put at U.S. 91 million dollars, up from 69 million for October-December, and 52 million for July-September.

The 30.5 million Special Drawing Rights (SDR's) oil loan exceeds a 20 million SDR's third tranche which

Jamaica became eligible to draw down after confirmation last week that it met the 1990 last quarter targets in its one-year IMF programme.

Meanwhile, Deputy Prime Minister P.J. Patterson said it was too early to say how far earnings would fall in the island's tourism sector, but projected something in the range of 15-20 per cent.

Trinidad and Tobago's adjustment programme started showing results last year and oil export revenues increased when the Gulf crisis began. But there are fears tourism will decline, and that the crisis could reduce sister Caricom states' ability to pay for Trinidad's exports.

Analysts projected that the pre-war slowdown in Caribbean economies could be compounded if increased spending on oil imports leads to greater trade imbalance, higher debt service ratios, restricted public investment, and lower real incomes.

Caribbean Association of Industry and Commerce (CAIC) executive director Pat Thompson expressed "grave doubts" that the regional public and private sectors were as yet "adequately geared" to respond effectively to rapid external shocks. "We have to redouble the efforts we are already making," he said, citing Caricom programmes to establish free trade, and a single market.

Thompson said adverse oil price, tourism, and balance of payments effects of the war hinged on how long the war lasted, while diversion of investment from the region was a pre-war trend now accelerated by the need to finance the war and post-war reconstruction.

"The region is already witnessing a diversion of investment.... We have to be looking to see what measures can be taken to avert the trend.... to attract investors to the Caribbean. The name of the game is to make regional production more competitive," Thompson told CANA.

Diplomat Views UN's Role in Ending Gulf War

FL0103001591 Bridgetown CANA in English 2132 GMT 28 Feb 91

[Text] Port of Spain, Trinidad, Feb 28, CANA—Former Commonwealth secretary general, Shridath Ramphal, on Wednesday [27 February] sharply criticised the continuation of the Gulf war after Iraq had accepted the Soviet peace offer and argued that the handling of the crisis had undermined the United Nations system.

Ramphal, who heads a commission looking at deepening of the regional integration process, but spoke in his private capacity, strongly condemned Iraq's invasion of Kuwait, but felt that the launching of the war, under UN cover, by American-led coalition was precipitate. Its continuation after Baghdad's acceptance of the Soviet plan was in the name of triumphalism, he asserted. "Before the ground war started peace came in prospect with Iraq's acceptance of the Soviet proposal for its unconditional withdrawal from Kuwait," Ramphal declared at a luncheon for journalists attending the Caribbean economic conference here. "At that moment military action to secure that withdrawal ceased to be 'a necessary measure' and the U.N. resolution no longer authorised war," he added.

The U.S-led coalition had rejected the Soviet peace plan because, according to American President George Bush, it did not go far enough in meeting Security Council resolutions. "National triumph so far displaced internationalism that the war that started in the name of the United Nations could not be allowed to end in its name. In the process both the triumph and the United Nations were flawed," he said.

Despite his strong statement, Ramphal, both in his speech and the question-and-answer session later, refrained from direct criticisms of Caribbean governments who had supported the American decision to go to war. Answering questions later, Ramphal, once a "dark horse" candidate for the UN secretary generalship, said that the handling of the Gulf crisis had affected the credibility of the UN system.

"There is deep anxiety in the UN itself and in the Third World about the degree to which the UN system has been used," he told questioners. Ramphal warned against the selective application of the rule of law and told questioners that the post-war situation would require that the outstanding matters in the Gulf, including the Palestinian question be dealt with.

In his speech, Ramphal had placed the entire development in the Gulf, including Iraq's original invasion, in the context of the historical scramble to control resources—in this case oil. And he belittled the concept of a new world order emerging from the conflict. "The new order looks.... very much like the old order with a new name: this time pax America," he said.

Underlining the possibility for an application of selective peace, he urged small countries like those in the Caribbean to focus on restoring "the United Nations to a real place of primacy in ending the scourge of war and replacing it by a regime through which the peace and security of the world is in the keeping of no one state, but reflects the state of our one world."

Ramphal in response to questions, welcomed the statement by Caricom [Caribbean Common Market] leaders at their summit this week, calling for "a genuinely international collective security system" aimed in particular at protecting the integrity of small states.

UN Credibility Said 'Hijacked'

FL0103153391 Bridgetown CANA in English 1205 GMT 1 Mar 91

[Text] Port of Spain, Trinidad, Mar 1, CANA—The credibility of the United Nations has been hijacked and small states such as those of the Caribbean Community (Caricom) [Caribbean Common Market] have a role to

play in bringing the international organisation "back in line," former Commonwealth Secretary General Shridath Ramphal said here.

Speaking at a media luncheon, Ramphal lamented that the Gulf war, which was started in the name of the United Nations, "could not be allowed to end its name." [as received] As a result, he said, national triumph had displaced internationalism, and in the process, both the triumph and the United Nations were flawed.

"Let us as small countries, therefore, be cautioned in our expectations, and let us use our talents to restore the United Nations to a real place of primacy in ending the scourge of war, and replacing it by a regime through which the peace and security of the world is in the keeping of no one state, but reflects the state of our one world," Ramphal said.

He said an agreement here Tuesday by Caricom heads of government, on the need for small states to ensure the emergence of a strengthened United Nations action to secure peace with consistent adherence to principle, was integral to the effort of bringing the world body back in line.

Ramphal said the Gulf war had its roots in control over commodities, noting that it was oil that tempted Saddam Husayn to the monstrous wrong against Kuwait.

"And it is oil, and Western access to its uninterrupted supply from the Middle East, that brought the United States to lead a coalition of countries into a devastating war. But there is little pretence, and no real doubt, that the war aims of the West had little to do with aggression against Kuwait. The coalition was not short of aggressors themselves, or occupiers, for that matter. But for oil, Kuwait would have been yet another using [as received] victim of aggression," he said.

Ramphal said the new order looked much like an old order with a new name—Pax Americana, and added "let us not forget that Pax Britannica, when it held sway, was merely selective peace."

Caricom Economic Summit Deemed Qualified Success

FL0103005091 Bridgetown CANA in English
2217 GMT 28 Feb 91

[Paget de Freitas report]

[Text] Port of Spain, Trinidad, Feb 28, CANA—A major conference here, geared to shaping the Caribbean Community's economic future, was already being billed as a qualified success Thursday, even as officials warned against expectations of definitive answers to the region's problems.

"We must be careful of pitching our expectations too high or we will be disappointed," said Barbadian prime minister, Erskine Sandiford.

"But I consider the conference to be going quite well," he told CANA. "We have been hearing the views of a wide range of groups and interests."

This conference is unusual for its type, in that it is all open plenary, allowing statements and interventions from scores of delegates representing governments, private sector bodies, professional institutions, trade unions, and other Non-Government Organisations (NGO's). But a consequence of its structure means that there are essential overlaps, a more diffuse rather than tightly-focused discussion and according to one government minister from the Eastern Caribbean "a fair bit of soap-boxing." "Some people have come to get things off their chest and they are doing that," said the minister.

Some participants, particularly from the private sector, would have preferred that the work on various issues, such a production, trade, and human resource development, had been done in smaller committees, then reported back to a plenary, or at least less formal presentations and more direct dialogue in the sessions. But according to Prime Minister Sandiford, the process is important.

"It is the way of democracy and if we believe in the process that's the way it is," the Barbadian prime minister commented. In any event, Sandiford said, he was hearing much that would form his thinking.

Roderick Rainford, the Caricom [Caribbean Common Market] secretary general, concedes that the structure of the conference was something of a compromise. "It depends on what you are seeking," he told CANA. "You could go into committees and get deeper discussion and you could go this route and get wider participation."

The idea, he said, was not to get a specific set of recommendations to be followed to the last letter. "We prepared a basic framework document, which is central to the discussion," he said. "What we expect to emerge is a consensus around which the Caribbean can fashion its development."

Rainford said that he already saw how some of the discussion would influence the work of the Caricom secretariat and expected that the same would happen with other instutions. According to Dr. Vishnu Persaud, a Guyana-born economist who works at the Commonwealth secretariat, the most important thing that will emerge from this conference is the impetus it will give to the political progress required for regional economic development.

"It will make a difference to the political will," he said. "In the past we have discussed a lot of things, but not in this manner. This time there are several voices being heard and there is a sense of urgency and a need for action."

Future Direction, Plans Debated

FL2802165591 Bridgetown CANA in English 1556 GMT 28 Feb 91

[Wesley Kirton report]

[Text] Port of Spain, Trinidad, Feb 28, CANA—The final session of the first day of the regional economic conference produced heated discussion in the closing minutes as Guyana's deputy prime minister, Haslyn Parris, questioned the effectiveness of the deliberations. Parris, who led the Guyana delegation at the first working session on Wednesday, told the conference there seemed to emerge no new strategies for moving Caribbean Community (Caricom) [Caribbean Common Market] countries into the 21st century.

"It can't be that we are without creativity. It can't be that we simply regurgitate the old problems and the old ways of approaching them. This is the one chance we have had to bring everyone together, and what we want to come out of this is some new ways at looking at our problems," Parris said. He said the current generation of Caribbean people did not think the previous generation had done a marvellous job, and that was why so many of them were disenchanted.

"The message from them is that in the world that's coming up, we're not so sure that what you have done has laid the groundwork for us to have a better life than you had," Parris said. "They are asking this question at a time when there is tremendous change taking place, and this is very valid."

Parris' intervention set off almost an additional hour of discussion during which Antigua and Barbuda's trade minister, Hugh Marshall, suggested that the viability of Caricom be examined. "Are we prepared to go beyond the English-speaking Caribbean. Are we bold enough to include all the countries within the Caribbean Sea. Are we afraid of any of them because of their population size or per capita income. Don't we feel that by bringing them in with us there is the possibility of nurturing over a period of time a much more sizeable economic market," Marshall asked.

Marshall said there were some extra-regional interests who found it "out of order" to hear discussions about the possibility of Cuba joining Caricom in the future. He said the conference needed to discuss the size and potential for growth of the Cuban, Venezuelan, and other markets within the wider Caribbean.

"Will the communist walls in Havana remain and become a barrier to my relations in terms of trade and development. Those are questions I hope this conference would take on board," the minister said.

Bahamian minister of agriculture, trade, and industry, Perry Christie, in remarks directed to the Caricom secretary general, said there needed to be a greater sense of urgency in confronting the region's problems, since politicians like himself depended on improving the quality of life of their people to be re-elected to office.

Christie decried what he described as "the haunting melodies" which were heard during the afternoon's session, and questioned the benefit of the Bahamas being part of Caricom. He made it clear, however, that the Bahamas was well aware of the potential benefits to be derived from being part of Caricom.

University of the West Indies vice chancellor, Alister McIntyre, cautioned the conference not to end its first day on a note of doubt and pessimism.

Coordination of Policies Urged

FL2802172491 Bridgetown CANA in English 1610 GMT 28 Feb 91

[Text] Port of Spain, Trinidad, Feb 28, CANA—Trinidad and Tobago's planning minister Winston Dookeran said the Caribbean Community (Caricom) [Caribbean Common Market] must address several pressing issues before member countries can achieve unity. Dookeran told the first plenary session of the regional economic conference Wednesday [27 February] there was an urgent need to deepen the integration process to enhance the region's ability to cope with current international change.

One requirement, he said, was the harmonization and coordination of development policies and strategies to present the Caricom region as a unified body before the world community.

"For example, we could desist from competing for investment, while trying to put together the most attractive package of fiscal incentives and other facilitative arrangements, to attract foreign investors," Dookeran said.

Another need was for a comprehensive evaluation of the natural resources of all member countries, with a view to ascertaining areas in which each member state has a comparative advantage. Dookeran said information derived from such an exercise should form the basis for the establishment of joint production agreements and the rationalization and allocation of industries within the region.

A third area of importance identified by the minister was the need for more meaningful coordination with the respect to the adoption of economic and other policies by the respective countries. He also said trade and other relations needed to be significantly advanced with Latin American countries and other non-traditional markets.

Dookeran, an economist, said the emergence of regional economic zones within the international system would have serious implications for Caricom. Caricom as a group should aim to have effective trade and cooperation arrangements with the "zones" to obtain the maximum benefits that can be derived, he urged.

Dookeran said it was imperative for the region to adopt a unified approach to the area of capital mobilization in the external markets. He proposed the formation of a Caricom equity fund to facilitate the flow of private investment resources among members. The scheme would be similar to Commonwealth Equity Fund.

Caricom Committee Agrees To Monitor Guyana Vote

FL2802194291 Bridgetown CANA in English 1817 GMT 28 Feb 91

[Rickey Singh report]

[Text] Port of Spain, Trinidad, Feb 28, CANA—Trinidad and Tobago has won a limited victory in its bid to have a special team of observers from the Caribbean Community (Caricom) [Caribbean Common Market] monitor Guyana's forthcoming elections, sources at a Caricom conference here said.

At their one-day informal summit Tuesday [26 February], Caricom heads of government agreed to have what has been officially described as "a significant Caricom component" in a Commonwealth observer mission being mounted for the Guyana presidential and parliamentary elections due later this year.

Caricom's current chairman, Prime Minister Michael Manley of Jamaica, told reporters he was aware of Trinidad and Tobago's interest in having a Caricom team separate from the one being mounted by the Commonwealth secretariat. But he disagreed the decision to have a "significant Caricom component" was a compromise to satisfy the demand of Trinidad and Tobago.

Guyana has a history of controversial elections dating back to 1968. Opposition parties have repeatedly accused the governing party of electoral fraud.

Trinidad and Tobago, which is owed some U.S. $450 million by Guyana, had originally agreed to be part of the proposed Commonwealth observer team for the Guyana elections. But instead of being allocated four representatives on such a team as requested, it was informed by the Commonwealth secretariat that its representation may be limited to one official.

Both Prime Minister A.N.R. Robinson and Foreign Minister Sahadeo Basdeo, in subsequent separate statements, indicated Trinidad and Tobago's interest in having a Caricom observer team in addition to the one being set up by the Commonwealth secretariat. Asked what was meant by a "significant Caricom component" on the Commonwealth observer team, Dr. Basadeo said, "I am not sure. I need to discuss it with Prime Minister Robinson before saying anything further."

He, however, stressed that the "government and people of Trinidad and Tobago remain firmly committed to free and fair elections in all countries of the Caribbean Community in keeping with our own commitment to established democratic traditions and respecting the will of the people..."

The informal summit also agreed to have Caricom represented on the proposed Organisation of American States (OAS) observer mission to Suriname for that country's forthcoming election in May. These elections follow last December's military coup that desposed the elected civilian government of President Ramsewak Shankar. The consensus at the informal summit, primarily at the instigation by Jamaica, according to conference sources, was that normal Caricom-Suriname relations would depend on the restoration of a democratic system of government in Paramaribo, based on internationally supervised elections.

For the first time, Suriname was not invited among other observer countries for the one-day Caricom summit. But the foreign ministers of the newly-elected Government of Haiti and the foreign minister of Venezuela were involved in bilateral talks with Caricom leaders and were present at the continuing regional economic conference.

The OAS, of which Guyana is now a member, is also being requested by opposition parties and civic organisations to observe the Guyana election. The Carter Centre, headed by former U.S. President Jimmy Carter, as well as influential U.S. senators like Edward Kennedy, are also maintaining a keen interest in the preparations for the Guyana election, including the current conduct of voter registration. President Desmond Hoyte has given the assurance that his government was planning for free and fair elections as has been the practice over the years. Now, he said, additional steps were being taken to respond to suggestions for new proposals, including empowerment of the elections commission and preliminary counting of ballots at polling centres.

Haiti Seeks To Reopen, Strengthen Caricom Ties

FL2802183091 Bridgetown CANA in English 1712 GMT 28 Feb 91

[Text] Port of Spain, Trinidad, Feb 28, CANA—Haiti's new democratic government is seeking to reopen ties with the Caribbean Community (Caricom) [Caribbean Common Market] that were strained under previous military dictatorships.

"Haiti wanted to be here to renew links with Caribbean brothers and sisters once again," Foreign Minister Jean Louis-Marie told CANA, explaining her presence at Caricom meetings taking place here.

"...For the time being, we are only observers, and we want to enjoy the rights as observers, and then we see what happens .. and then a decision will come later." Louis-Marie, expressing a desire for closer Haiti-Caricom relations, said her priority was to "break up the isolation " Haiti had experienced in the Caribbean.

Haiti has observer status within Caricom.

The Creole-speaking republic chose its first democratic government last December in elections which gave the Presidency to a fiery Catholic priest, Jean-Bertrand Aristide, who had campaigned relentlessly against the Duvalier and subsequent dictatorships on behalf of Haiti's poor.

Dominican Republic

Balaguer Replaces Secretaries of Labor, Education

FL2802185891 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 28 Feb 91

[Text] By Decree No. 74, President Joaquin Balaguer has appointed Roberto Martinez Villanueva controller of the Lome Convention with the rank of secretary of state, and appointed Jose Carlos Isaias in his place as technical secretary of the Presidency. Likewise, (Pedro Gil y Turbides) has been appointed secretary of education in place of Dr. Jose Nicolas Almanzar, who has not been assigned another post at the moment.

In the presidential decree, Dr. Lupo Hernandez Rueda was appointed secretary of state for labor in place of Washington de Pena. President Balaguer also appointed Brigadier General Hector Roman Torres director of Civil Aviation and Dr. Mariano Decamps undersecretary of the interior and police, in place of Dr. Cesar Paula Paredes.

Grenada

Communications Minister Denies Charges, Resigns

FL0103140091 Bridgetown CANA in English 1134 GMT 1 March 91

[Text] St. George's, Grenada, March 1, CANA—Grenada's communications and works minister, Kenny Lalsingh, has tendered his resignation, state-owned Radio Grenada reported. The announcement, late Thursday, followed charges by the press that the minister had used his office to import equipment an aide, Stanley Charles, wanted to use at an FM radio station.

Lalsingh and Charles, a journalist, denied the claims, but a government team, including Attorney General Dr. Francis Alexis, that looked into the matter found "a discrepancy" in the listing of equipment ordered and what was found in the ministry.

On Wednesday morning, Prime Minister Nicholas Brathwaite told a press conference the matter was being handed over to the police for a full criminal investigation.

Haiti

Dupuy Comments on Economic Situation, UN Stand

FL2802012091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Feb 91

[Excerpts] The reason why the economic situation is so critical today is that the country has relied too much on external help for so long, through the 30 years of the Duvalier regime and even before then. The previous governments did not fight to defend the national interest. These are statements made by Ben Dupuy, the president of Committee Against Repression in Haiti and the general manager of the HAITI-PROGRES weekly.

According to Dupuy, the Aristide government is facing a great problem, a big economic crisis, a crisis that can only be solved little by little because the 16 December government cannot wave a magic wand. Ben Dupuy, who has identified the problems which exist in the communal sections between peasants, between section chiefs and big landowners, believes that setting up a proper structure and then creating jobs to increase the national production is the first real solution to these problems. [passage omitted]

The political class is not representative enough to require its participation in this government, said Ben Dupuy, who thinks there are three partners in the Avalanche Plan: the traditionalist bourgeoisie who is obliged to join the national rebirth, the middle class, and the people's camp, the people's organizations that have permitted the political balance. Ben Dupuy pointed out that the vocation of the people's organizations is to organize themselves in the communal section assemblies, the municipal assemblies, the departmental assemblies, and the inter-departmental assemblies [passage omitted].

[Begin recording] [Unidentified reporter] Mr. Ben Dupuy, according to an article we read in LE MATIN, it seems likely that you will be proposed to represent Haiti at the UN. Are you ready to accept this post in case the government offers it to you?

[Dupuy] First, under the circumstances of the country where we know that the Macoutes have virtually corrupted all the institutions, if somebody wants to make his contribution to the change process, I think there are some responsibilities that he cannot refuse. The newspaper you quoted mentioned the post at the UN.... [rephrases] Well, I think that this is something coming perhaps from the 10th department [the Haitian diaspora]. Our [my] personal position is that a diplomatic job is not an elective job. We [referring to himself] think this is something to remain an essential attribution of the Presidency of the Republic. I do not think this is something that can be elective. [sentence as heard] So, I think we must give the president full scope so that he can choose the diplomatic representations. [end recording]

Canadian Aid Studied; Power Outages Continue

FL2802201091 Port-au-Prince Radio Metropole in French 1700 GMT 26 Feb 91

[Excerpt] A contract with a Canadian international company, Hydro Quebec, is being studied within the framework of bilateral cooperation with the Haitian Government. This program aims at rectifying problems within the Electricity Company of Haiti [EDH]. Numerous EDH projects sponsored by other foreign companies are also being reviewed. Power outages of three hours or so will not be solved soon. [passage omitted]

Panpra Deputies Create Parliamentary Association

FL2802232091 Port-au-Prince Radio Metropole in French 1700 GMT 26 Feb 91

[Text] At a news conference given at the chamber, it was announced that within the 45th legislature an association for informing and training Haitian Parliament members, called the Association for Informing and Training of Local Elected (?People), AIFEL, has been created. This association which is comprised of the socialist deputies from the Nationalistic and Progressive Revolutionary Party of Haiti [Pampra] has two primary goals: informing and training Parliament members.

AIFEL's first initiative was the organization of two workshops on 23 and 24 February lead by the French administrator, Jean-Paul Muret. These workshops were initiated by agronomist Roosevelt Saint-Vic and (Dully Brutus), Limbe [city in northern Haiti] deputy, both of them members of Pampra. Joseph Lambert, Jacmel deputy from Pampra defines AIFEL.

[Begin Lambert recording] It is the AIFEL. It is open to all other political parties and even some National Front for Change and Democracy Parliament members attended the seminar. I must say that there will be other seminars on 23 April and we hope to offer them to all Parliament members if possible, depending on the space and the means available to us. In this way, all can benefit from these workshops. [end recording]

It is to be noted that the senators will also be allowed to attend the scheduled workshops in April. The Pampra Parliament members who are the initiators of this association are also considering creating a socialist-democratic block within Parliament.

Relatives of Slain Man Seek Inquiry, Justice

FL2802203591 Port-au-Prince Radio Metropole in French 1700 GMT 26 Feb 91

[Text] Two weeks after the death of an engineer, Richard Vincent Emmanuel, who was mistaken for a gangster and stoned to death, his relatives address an open letter to the government of Aristide-Preval. In this letter, the relatives of Richard Vincent Emmanuel note that there has been no communique or stand made by the government, the police, or the state as of this time. They have not heard a word that would lead them to believe that an investigation has been started or would be started. Those signing the letter question whether the old practices of preceding governments are still being followed.

The letter points out that by keeping silent on this 13 February event the government and the state could risk breaking the spirit of the management from the 10th department who are willing to assist. Such a silence from the government, say the relatives of Engineer Emmanuel, only adds to encouraging Haitian and foreign agitators and informers. Destabilizing people can use these kinds of actions to their advantage.

The relatives hope that the death of Richard, who wanted justice for the oppressed people on this earth and who was in Haiti participating in the process for change, will not be in vain. By demanding an investigation into this matter, the relatives and friends of the engineer, killed accidentally, think that here is an opportunity for the government to create the bases which will allow the popular masses to trust in it.

City Hall Communique Outlines Building Codes

FL2802212591 Port-au-Prince L'UNION in French 28 Feb No. 482 p 6

[Communique issued by the Port-au-Prince Communal Council on 27 February]

[Text] The Communal Council of Port-au-Prince advises the general public and especially to those affected that from the publication of this communique onwards it is forbidden to erect any new construction without a permit duly delivered and sealed by the communal officials.

Any and all persons erecting a construction, whatever the type may be, on communal lands or on lands belonging to private individuals without this permit will be prosecuted according to the law for violation:

1. of the 23 July 1924 law regulating the construction fashion in the cities;
2. of the 22 July 1937 statutory order on town planning;
3. of the 22 June 1923 and 26 September 1936 communal orders concerning the building line right;
4. of the 17 August 1961 law modifying the 22 July 1937 order on town planning.

Moreover, the communal council is now studying the possibility of finding lands that are appropriate for constructions. It is considering low-income housing and housing projects. The council asks all citizens of the commune to be patient and to refrain from choosing arbitrary housing sites. A communal council communique will set the conditions and the mode for the acquisition of available communal lands. Signed: Evans Paul, Port-au-Prince mayor

13 Prisoners Escape; More Military Transfers

FL2802211091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Feb 91

[Wilder Thybault report from Jacmel]

[Excerpt] During the night of 24-25 February, 13 prisoners including a number of common law offenders detained in the Jacmel Barracks managed to escape. We have been informed that these prisoners escaped by using a hacksaw to cut the wrought iron bars on the door of the prison.

Concerning military business, the Southeastern Military Department is headed by a new commander, Colonel Ulysse Francois. This commander has assumed his duties and is to be assisted soon by Lieutenant Colonel Max Antoine Metellus. Captain Roland Dufresne, the Jacmel district commander, has been transferred and replaced by Captain Bazile David. [passage omitted]

Netherlands Antilles

Eight Parties To Run in St. Maarten Election

FL2702183191 Bridgetown CANA in English 1508 GMT 27 Feb 91

[Erasmus Williams report]

[Text] Philipsburg, St. Maarten, Feb 27, CANA—A record eight political parties have submitted the names of 79 candidates to contest the nine seats at stake in the April 12 St. Maarten Island Council elections.

The ruling Democratic Party [DP] named 14 candidates; the St. Maarten Patriotic Alliance (SPA) named 17; the People's Electoral Movement (PEM) [MEP], 10; the National Reformation Party (NRP), 12; the United Democratic Party (UDP), five; the Progressive Democratic Party (PDP), 17; the People's Progressive Party (PPP), three; and the Antillean National Alliance (ANM), one candidate.

"Postulation (nomination) day" last Friday was not without surprises. The names of commissioner of finance, Cyril Richardson; commissioner of tourism and transport, Patsy Flanders; and commissioner of education and culture, Valerie Gieterson Pantophlet, were not listed.

Elco Rosario, who two weeks ago resigned from the opposition St. Maarten Patriotic Alliance (SPA) when he failed to win the party's presidency at its congress, is now a candidate for the ruling Democratic Party.

Rosario, who has since formed the Movement for a Healthy Antillean Nation (Consolidated), and DP leader Dr. Claude Wathey, have been at loggerheads on the political future of St. Maarten. Wathey favours independence, while Rosario supports a continued Federation of the Netherlands Antilles.

The two-week old merger of Leo Hughes' People's Progressive party, and independent candidate Alphonso Brooks, to form the Antillean National Alliance, has ended with the ANM and the PPP submitting separate lists of candidates.

The ruling party is in confusion. Three of the DP's top figures have quit and joined the newly formed opposition People's Democratic Party. First to go was Senator Millicent de Weever. The DP's commissioner of constitutional and general affairs, Dennis Pantophlet, entered his name for the election of the PDP's slate of candidates, and Louis Crastell Gumbs, a deputy prime minister and minister of transport and communications in the federal government, said he too had abandoned the DP and joined the PDP and its candidate on that party's ticket.

The DP, which nominated Gumbs to the ministerial post in the coalition government of Prime Minister Maria Liberia-Peters, has requested Gumbs resign "immediately." Gumbs, in a statement, refused to submit his resignation.

The list of candidates as postulated by the parties must now be signed by 68 registered voters to become official.

On Monday night, the Electoral Office announced that the Democratic Party and the St. Maarten Patriotic Alliance had qualified for the election, having obtained the number of signatures required.

Officials said the PEM had no signatures; the SPA, 76; and the DP, 80; with the other parties fewer than required. The other parties have until March 5 to get the signatures required.

El Salvador

FMLN Suspends Armed Actions During Elections

PA0103043091 Paris AFP in Spanish 0325 GMT 1 Mar 91

[Text] Mexico City, 28 Feb (AFP)—The Farabundo Marti National Liberation Front (FMLN) decided today in Mexico to unilaterally suspend its offensive military operations on 9-11 March to avoid hindering the Salvadoran legislative and municipal elections.

In a communique issued after a meeting with representatives of Salvadoran opposition political parties, the guerrillas pointed out that they will not carry out sabotage actions that might affect the overall development of the voting and electoral process, although they do not approve of either. The voting will take place on 10 March.

In addition, the FMLN charged that the ruling Nationalist Republican Alliance (Arena) has launched a campaign against opposition activists amid the electoral campaign.

"Everything indicates that Arena and the Armed Forces continue to apply the old practices of the dictatorship at election time, including electoral fraud," the document added.

The decision, the guerrillas said, was adopted "as a gesture of consideration toward the efforts displayed by opposition parties and their aim to improve, via the election results, the possibilities of finding a negotiated solution to the armed conflict," which has lasted more than a decade and which has claimed some 70,000 dead.

The guerrillas pointed out that the suspension of offensive activities "does not include areas under FMLN control where the government does not operate." Military actions will be limited to "defending our own positions and areas under our control within national territory," they added.

The rebels urged the Armed Forces to renounce "the pathway of violence in favor of negotiations and the achievement of peace as soon as possible."

The meeting was attended by the FMLN's Joaquin Villalobos, Jorge Shafik Handal, Mario Lopez, Roberto Canas, and Salvador Samayoa; and for the political parties by Ruben Zamora, Rene Flores, and Carlos Diaz of the Democratic Convergence; Mario Aguinada of the National Demoratic Union; and Eduardo Colindres of the Christian Democratic Party.

"Electoral fraud would constitute aggression against the peace negotiations," said Handal after the one-day meeting with the opposition political parties.

Zamora said that "there could be an electoral victory for the opposition parties," but warned that there are signs that Arena is creating the conditions for electoral violations. "We would not recognize results produced by fraud because that would have a negative impact on the peace process."

Government Condemns FMLN Electoral Offensive

PA0103040891 San Salvador LA PRENSA GRAFICA in Spanish 28 Feb 91 p 37

[Text] The offensive launched by the FMLN [Farabundo Marti National Liberation Front] has had the civilian population as its main target, leaving dead, wounded, and mutilated people behind, the Salvadoran Government said yesterday.

A government communique sent to LA PRENSA GRAFICA said that "with those terrorist actions, the FMLN is trying to sabotage the 10 March elections for mayors and deputies to the Legislative Assembly and to the Central American Parliament by violating its unilateral commitment to respect the electoral process."

In the communique, the government urges political parties, social organizations, and people in general to remain calm in defense of democracy and of the electoral process.

This is the time for Salvadorans who really want peace to refrain from supporting all types of violence and for not permitting the enemies of democracy and liberty to induce us into creating violence, disorders, and unrest in the contry," the communique stressed.

The communique lists chronologically the attacks carried out within the electoral offensive, which began on 17 February in Chalatenango with the explosion of a mine next to a vehicle transporting peasants, which resulted in one dead and eight wounded.

On 19 February, the FMLN attacked the installations of the Defense Ministry, leaving one dead and nine wounded, six of whom were civilians.

That same day, FMLN members kidnaped an Arena [Nationalist Republican Alliance] mayorial candidate for the municipality of Cinquera, Cabanas Department, releasing him one day later under threats, as reported by Arena Secretary General Armando Calderon Sol.

In the early hours of 20 February, FMLN guerrillas caused the death of two children and an undetermined number of wounded as a result of an attack on the city of San Miguel.

On 22 February, more than 12 private homes located on 10th Avenue South in the San Jacinto neighborhood had shattered windows and partially destroyed doors and roofs from the explosion of a device known as a "tepezcuintle," which was fired by urban terrorists at the installations of the Armed Forces Telecommunications Instruction Center (CITFA). One soldier was slightly wounded in the warehouse where the device landed.

"The tragic toll left by the FMLN last week included three civilians killed, 15 wounded, approximately 19 houses damaged, as well as more than a dozen power poles blown up as a result of various attacks," the communique noted.

On the night of 26 February, the FMLN entered the Escalon and Lomas Verdes neighborhood in the northwestern part of the capital, endangering the lives of hundreds of families by indiscriminately firing their weapons and hurling explosive devices.

"The FMLN broke into the houses and for six hours terrified the people in that sector by occupying houses and taking their occupants hostage, creating anguish and unrest among the population. [no end quote marks as published]

According to reports, a guerrilla leader said that "this is part of a defensive action to repudiate the Army's offensive actions in areas under our control," thus denying an electoral offensive.

FMLN Wants To Create 'Pre-Electoral Anxiety'

PA0103025591 San Salvador LA PRENSA GRAFICA in Spanish 28 Feb 91 p 63

[Text] According to deputy Gloria Salguero Gross, the FMLN [Farabundo Marti National Liberation Front] strategy of indiscriminately attacking the civilian population is intended to create an atmosphere of pre-electoral anxiety and thus favor some leftist parties that will be holding meetings with the rebels.

In her statements, deputy Salguero Gross pointed out that the FMLN seeks to create a new state of terror so that after meeting with the leftist parties it will show "benevolence, flexibility, and generosity through a cease-fire apparently concerted by the leftist parties."

Salguero Gross noted that "this is evident by the fact the FMLN has invited the leftist parties to meet in Mexico City to discuss their possibilities of success in the 10 March elections, and thus agree on a strategy that will favor their political ambitions."

This Mexico City meeting of the UDN [Nationalist Democratic Union], the Democratic Convergence [CD], and the PDC [Christian Democratic Party] will, however, simply be "a propaganda show because it is already known that the FMLN will unilateralllly call for a cease-fire inasmuch as its plans to boycott the elections have been counterproductive to its political interests," said the deputy who is a candidate for the Central American Parliament.

The Arena [Nationalist Republican Alliance] deputy believes that "in the meeting planned by the FMLN, the three leftist parties (UDN, CD, and the PDC), will claim that the FMLN is going to call for a cease-fire thanks to their efforts and thus appear before the public as the great negotiators when in fact this is all a maneuver that has been previously fabricated to try to deceive the voters."

She added that "these Machiavellian strategies" will not change the firm and unanimous decision of the Salvadoran voters in favor of a lasting peace, economic reactivation, and the social progress of the Salvadoran people.

200 Observer Groups To Oversee Elections

PA2802192091 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 27 Feb 91

[Text] Approximately 200 observers from different organizations have arrived in the country to oversee the 10 March elections, Christian Democratic Party Councilman Jose Ricardo Perdomo has stated, after denouncing a series of administrative irregularities involving compliance with agreements with the Electoral Tribunal to sanction Arena [Nationalist Republican Alliance]. He said the U.S. [National] Democrat Institute [for International Affairs], America's Watch, and the U.S. [National] Republican Institute [for International Affairs] are among the international groups that will be present.

Salvadoran Opposition Leader Guillermo Ungo Dies

PA2802184691 Mexico City NOTIMEX in Spanish 1818 GMT 28 Feb 91

[Text] Mexico City, 28 Feb (NOTIMEX)—Sixty-year-old Salvadoran opposition leader Guillermo Manuel Ungo died today in Mexico City as a result of a brain embolism, it was confirmed by sources close to his organization.

The leader of the National Revolutionary Movement (MNR) and vice president of Socialist Internatinal (IS) died at 1100 in the Spanish Hospital.

FMLN Commission Leader Laments Ungo's Death

PA0103032791 Madrid EFE in Spanish 2052 GMT 28 Feb 91

[Text] Mexico City, 27 [dateline as received] Feb (EFE)—Dagoberto Gutierrez, leader of the Political-Diplomatic Commission of the Salvadoran Farabundo Marti National Liberation Front (FMLN), today expressed his "deepest condolences to the Salvadoran patriots and people over the death of opposition leader Guillermo Ungo." The member of the FMLN commission expressed his "regrets over the death of an incomparable and untiring fighter for democracy in El Salvador and Latin America."

He reiterated that the death of Guillermo Ungo, who died today in Mexico City from a brain tumor, "is a great loss for the democratic movements in Latin America and the world in general." Gutierrez added that the FMLN

agrees with "the struggle carried out by Guillermo Ungo both domestically and abroad to attain democracy."

Dagoberto Gutierrez added: "I hope that, just as when he was alive, Guillermo Manuel Ungo's death will strengthen the democratic and popular movement that struggles to make headway in El Salvador."

Gutierrez stressed that the death of Ungo, who was also leader of the National Revolutionary Movement (MNR), "will not lead to the decrease of the struggle for democratic ideals that he defended all his life, because we are sure that he was deeply aware that his death would be a contribution to that struggle."

The FMLN leader issued a call to all Salvadoran social and political sectors "to redouble efforts in the search for a democratic solution to the country's problems, as the best tribute the Salvadoran patriots can render to a fighter of the stature of Guillermo Ungo."

Gutierrez added that the death of the leader of the MNR, one of the three parties in the Democratic Convergence, will not affect the meeting that the guerrillas have scheduled with various representatives of Salvadoran political organizations in Mexico City today.

Correction on Update on Situation in Escalon

PA2802162791

This correction pertains to the item headlined "Escalon Under Army Control; Update on Situation," published in the 28 February Latin America DAILY REPORT, page 13:

Column two, penultimate paragraph, last sentence, make read: ...of strong explosions.

There are also some vehicles, we repeat, with damaged windshields. Some four-wheel drive vehicles have been destroyed. In some homes, there are doors with gaping holes. Many people are in the streets. It has been said that there may be explosive devices in some houses. The Army will check this zone to prevent [word indistinct] among the people.

That is what... (supplying omitted passage)

Honduras

Armed Forces Demobilize Antiaircraft Battalion

PA2802184891 Panama City ACAN in Spanish 1729 GMT 27 Feb 91

[Text] Tegucigalpa, 27 Feb (ACAN-EFE)—The Honduran Armed Forces today demobilized an antiaircraft battalion from centrally located Comayagua Department, as part of an internal economic adjustment program.

At the same time, the Honduran military inaugurated an experimental center for ecological conservation and agriculture and cattle development, which will function under Army sponsorship.

The demobilization of the antiaircraft battalion followed a meeting between U.S. Ambassador Cresencio Arcos and President Rafael Leonardo Callejas, who once again discussed the need to reduce the size of the Armed Forces.

Callejas and important Honduran military leaders have indicated that the Army will not be reduced while there is violence in neighboring countries such as El Salvador and Nicaragua. The U.S. ambassador believes that when the Salvadoran Army and the guerrillas attain peace, the remaining Central American countries should evaluate their security and control needs and reduce the size of their armed forces.

Arcos also reiterated that due to the Persian Gulf war, his country's aid to Honduras will be reduced. This year's economic aid is estimated at $140 million, out of which $20 million is for military expenditures.

* Finance Minister Praises Economic Performance

91CA0065C Tegucigalpa EL HERALDO in Spanish 15 Dec 90 p 41

[Text] Honduras' trade deficit will remain negative this year and in 1991. At the end of December, the official inflation rate will be 33 percent. This rate is expected to decline to 12 percent in 1991, said the finance minister, Benjamin Villanueva.

The official said that only 70.3 percent of the General Budget of the Republic will be executed, creating savings for the government of 397 million lempiras (without indicating that these resources are actually in the government treasury).

Of the 3.5 billion lempiras approved by the National Congress as the total budget envelope for the present year, only 1.103 billion will be spent.

Villanueva added that the treasury deficit for 1990 will be 6.7 percent (compared with 11 percent in 1989). A 2.5 percent deficit is projected for 1991.

Villanueva believes the "most effective way to combat inflation is by reducing the treasury deficit. It is hard for people to grasp this, for they think prices are set arbitrarily by merchants and importers, but they (prices) are determined by the money supply."

On the topic of exports, he said that during 1990 exports will amount to $966 million, while Honduras imports $1.108 billion. This negative trade balance will continue in 1991—approximately $95 million—which will have to be met by funds received through the Club of Paris advisory group, whose negotiations began several days ago.

Honduras does not generate enough foreign currency to reach equilibrium in the balance of payments. It needs to increase its production capacity and consequently, its export capacity.

During 1990 the financial gap was reduced to zero, with the $539.5 million which were refinanced by the World Bank and other international organizations. That gap remained at zero, but a negative balance of $26 million will be left in the end, compared with $248.1 million during 1989, said Finance Minister Benjamin Villanueva.

The balance of $26 million will be covered by the $40 million which is to be provided by the International Monetary Fund to provide the foreign currency requirements which arose during the year because of the rise in petroleum prices and the Sula Valley floods.

Finance Minister Benjamin Villanueva yesterday boasted that economic stability has been reached through the execution of the structural adjustment plan, and he announced new investments in the amount of 250 million lempiras for projects to increase exports.

He also maintained that the wage adjustment must be shared among all national employees (in both the public and private sectors), but it must be real and not demagogic, so that a certain amount of purchasing power will be restored to the population.

The finance minister admitted that people on fixed incomes (employees, workers, retired and pensioned persons) are the ones most affected by the economic adjustment.

But the salary adjustments "must be handled with care, for we must not destroy what the adjustment is achieving by resorting to demagogic salary increases. We must make real salary adjustments within a well established economic policy to restore the workers' purchasing power, and not add more fuel to the fires of inflation."

If this salary readjustment goes beyond the "economy's capacity, for demagogic purposes, it will generate more inflation, will cut the workers' purchasing power, and we will be caught in a vicious circle, which is a dangerous situation," said Villanueva.

The budget item for the government employees' salary increase will be generated by the sale of a number of companies which will be privatized. One of these will be the INCEHSA [Honduras Cement Industry], in which the state holds shares in the amount of 85 million lempiras.

In 1991 the state investment will be 890 million lempiras. This will be used for hospital construction, road repairs, the start of the Sula Valley flood control project, the Nacaome irrigation project and the completion of the La Concepcion dam.

The treasury deficit does not allow larger investments, but the investments that are made will be done with the idea that "they will open the door to private industry and reduce public investment, because that generates greater dynamism in the economy than public investment."

Next year the privatization of companies controlled by the CONADI [National Investment Corporation] will be pursued. One of the first of these companies will be Honduras Cements. The resources generated by that action "will help to solve the government's treasury deficit."

On the issue of attracting Honduran and foreign investors, Villanueva said that as of yesterday, there have been applications for projects coming to a total of 250 million lempiras.

In addition, two banana companies have expressed an interest in expanding their banana plantations ($45 million for Tela, approximately $60 million for Standard), in terms of incorporating new local investors in this activity, and beginning operations by the English banana company Fayffes in Honduras, with a $15 million investment.

The economic adjustment was made in 1990, at a time when "the consequences of the erroneous policies of the past became apparent; we agreed that this country had been pursuing the wrong policy for many years. We adapted to the present situation, and prepared to move forward," concluded Villanueva.

* Autonomous Enterprises To Receive 339 Million

91CA0065B Tegucigalpa LA TRIBUNA in Spanish 12 Dec 90 p 3

[Text] Yesterday the National Congress approved funding of 339 million lempiras for the autonomous enterprises' budgets.

For the IHMA [Honduran Agricultural Marketing Institute], 80,043,700 lempiras were approved. Included in this item was funding of 75,000 lempiras intended for the National Youth Council.

The budget allocated for the INA [National Agrarian Institute] was 31,703,300 lempiras. This item also includes 50,000 lempiras for the National Youth Council.

A budget of 21,037,517 lempiras was approved for INFOP [Professional Training Institute] for this fiscal year. This includes 50,000 lempiras for the National Youth Council.

A budget of 146,442,300 lempiras was approved for the SANAA [National Autonomous Water and Sewage Service]. This includes 100,000 lempiras for the National Youth Council.

The BANMA [Autonomous Municipal Bank] was allocated 50,381,000 lempiras. This includes 100,000 lempiras for the National Youth Council.

A budget of 11,333,000 lempiras was approved for the Banadesa [National Agricultural Development Bank]. This includes 5,000 lempiras for the National Youth Council.

* Social Programs To Cost 1.36 Billion Lempiras

91CA0065A Tegucigalpa EL HERALDO in Spanish 5 Jan 91 p 3

[Text] During 1991, the Honduran government will spend 1.3608 billion lempiras on "social compensation" programs to generate jobs for both rural and urban workers.

On a priority basis, resources of 222 million lempiras will be earmarked for the FIS [Social Investment Fund]; 561.2 million for Public Education; 419.9 million for Public Health; 37.7 million for Labor and Social Security; and 120 million for subsidies (for single mothers, transportation, and other items).

Benjamin Villanueva, the minister of finance, yesterday said that a massive distribution of generic medications will be initiated, with a 60 percent reduction in the cost of these medications. This will be done as soon as possible.

"We believe that we have emerged from the major economic and financial bankruptcy crisis which the government inherited, and we are now better able to pay more attention to investment programs, particularly social programs," stated the official.

The Social Investment Fund attempts to generate temporary employment as well as some permanent jobs, especially among the poorest sectors of the population which have suffered most from the impact of the economic measures.

"What we are trying to do with the macroeconomic program is to stimulate productive investment, both in industry and in agriculture, particularly in areas intended for export, but without neglecting the attention we need to give the rural peasant sector," he said.

At the present time, production in rural areas has become more profitable, and the demand for agricultural products has grown, with better prices in nearby countries. This allows Honduran products to be exported and benefits national producers, though it does generate short term pressures that tend to hurt the national consumer.

This will probably be resolved by the private sector's reaction in producing more agricultural goods, making it possible to boost exports. Therefore, the appropriate incentives have been granted.

The public sector cannot generate jobs for the middle class (professionals) because "that would mean expanding the bureaucracy and it would worsen the treasury deficit. The private sector needs to be mobilized; we have to remember that in Honduras the largest part of the public is in the private sector, and they have to think about generating their own productive activities. That is the only way out we see for this problem in the short term," said Benjamin Villanueva.

During 1991 the adjustment measures will not be as severe as those adopted last year, said the minister of finance. He added that the "greatest impact was caused by the monetary devaluation which began at the end of President Azcona's administration in 1989, and which this administration was forced to make official, to make it open and official."

Now social compensation measures are needed in order to avoid having the economy continue to worsen the standard of living, especially for the middle and the poorest classes, Finance Minister Benjamin Villanueva said yesterday.

Nicaragua

Bank Freezes Dollars in Financial Institutions

PA2802192991 Panama City ACAN in Spanish 1621 GMT 28 Feb 91

[Text] Managua, 28 Feb (ACAN-EFE)—The Central Bank of Nicaragua today froze all the dollar accounts in the country's financial institutions. This, the local media reports, has been interpreted as the prelude to a devaluation of the gold cordoba.

The office of the president of the Central Bank of Nicaragua was repeatedly asked to confirm this report, but official bank sources neither confirmed nor denied the news and promised to issue a statement within the next few hours.

The order that all U.S. dollars and other foreign currencies be transferred to the vaults of the Central Bank of Nicaragua took by surprise Nicaraguan savers, producers, and businessmen.

BARRICADA, a Managua daily, has reported that the freezing of dollar accounts is among the measures that the government of Violeta Chamorro is adopting to massively circulate the gold cordoba, which officially is on a par with the dollar. Nicaragua also circulates the common cordoba, the official exchange rate of which is 5,200,000 per dollar and which on the black market is exchanged at the rate of 7 million per dollar. The gold cordoba began restricted circulation in August 1990.

According to Ernesto Salazar, a member of the board of directors of the Federation of Cattlemen of Nicaragua, who is quoted by BARRICADA, the freezing of the dollar accounts "is not a rumor, it is a truth."

'Significant' Currency Devaluation 'Imminent'

PA0103145891 Managua Radio Sandino in Spanish 1234 GMT 1 Mar 91

[Text] A significant currency devaluation and the introduction of a strong package of economic adjustment measures are imminent. Alfredo Cesar, president of the National Assembly, has confirmed that a significant devaluation of the cordoba is pending. The legislator said that it is currently impossible to maintain the parity of the gold cordoba in relation to the dollar. In contrast to experts' predictions, however, Cesar did not say that the gold cordoba would be devalued by 300 percent.

In a statement to local and foreign newsmen, the president of the National Assembly stated that, in addition to devaluing the gold cordoba, the government of Violeta Chamorro will introduce a firm package of economic adjustment measures.

Cesar's announcement took place against the backdrop of a series of secret meetings between leading government economic officials and representatives of the country's political and economic sectors. During the meetings chaired by Antonio Lacayo, government officials have been hinting of an imminent currency devaluation and the introduction of new economic measures. Yesterday a meeting was held with representatives of the chambers of commerce; the minister of the Presidency will meet today with various media directors.

Soviet Envoy: Gorbachev To Visit; No Date Set

PA0103000191 Panama City ACAN in Spanish 2329 GMT 28 Feb 91

[Text] Managua, 28 Feb (ACAN-EFE)—Soviet Union President Mikhail Gorbachev will visit Central America at an as yet undetermined date, Soviet Ambassador to Nicaragua Yevgeniy Astakhov said today.

The diplomat said the Soviet leader accepted an invitation made one month ago by Nicaraguan President Violeta Chamorro to visit Nicaragua and the other Central American nations.

According to Astakhov, the Central American Foreign Ministries and Soviet diplomats now need to set the date for the visit, the first to Central America by a Soviet leader.

Chamorro invited Gorbachev on behalf of all her Central American counterparts, so that he can personally learn about the situation of these countries.

Former Contras Reportedly Kill Five Civilians

PA0103010891 Paris AFP in Spanish 0020 GMT 1 Mar 91

[Text] Managua, 28 Feb (AFP)—Police sources and the Sandinist Radio YA reported today that an attack by former contras in Pueblo Nuevo, Jinotega Department, 190 km north of Managua, has left five people dead and an undetermined number wounded.

According to the sources, the former members of the Nicaraguan Resistance occupied a coffee farm and a stretch of the road between Pueblo Nuevo and Venecia.

Jinotega police authorities confirmed the incident, but no official report has been issued in Managua yet.

In the past few months northern Nicaragua has been the site of land occupations by former contras and Sandinist peasants who have been trying to rejoin civilian life since the war ended.

Contra Leader Sovalbarro on Bermudez Killing

PA2802151691 Managua BARRICADA in Spanish 24 Feb 91 pp 1, 5

[Report by Guillermo Cortes Dominguez]

[Text] Oscar Sovalbarro, alias "Ruben," leader of the Nicaraguan Resistance Civic Organization [OCRN], yesterday denied any participation in the assassination of Enrique Bermudez. "Ruben" said that, quite the opposite, he had warned Bermudez that his life was in danger.

During a lengthy interview with BARRICADA, Sovalbarro, who is also deputy director of the Nicaraguan Institute of Repatriation [INIRE], gave hitherto unpublished details of the case, including a list of Bermudez' acquaintances who are suspected of plotting against the former contra leader.

Only a few hours after returning to Managua from Miami, where he had participated in the funeral services, "Ruben" commented on the negotiations that Bermudez had been conducting to get the government to recognize him as the sole representative of the demobilized contras.

According to information gathered by "Ruben" and other OCRN leaders, Bermudez received the greatest assistance in his efforts to unite the former contras into a single organization under his leadership from Silvio Santana, as anti-Sandinist journalist Luis Mora had recently mentioned to the authorities.

Sovalbarro says he warned Bermudez about Santana and other persons around him, such as Bayardo Molina and two others he called "Commander Managua" and "Latigo."

"I met Santana only once. According to our reports, he had been helping Bermudez collect signatures for a letter to President Violeta Chamorro requesting that Bermudez be recognized as the only representative of the demobilized contras," Sovalbarro said.

He has kept a copy of the letter Bermudez wrote to President Chamorro during his first visit to Nicaragua.

"Ruben" also said that, several days prior to the murder, Bermudez had addressed another letter to President

Chamorro in which the signatures of numerous demobilized members of the Nicaraguan Resistance [RN] reaffirmed their request that the former National Guard colonel be recognized as their sole representative.

Although all of the suspects he mentioned belong to Bermudez' circle associates, "Ruben" pointed out that Santana had been held as a prisoner and that, though he cannot confirm it, he had heard that while in prison, Santana had collaborated with state security agencies of the Sandinist government.

Sovalbarro added that after Santana was demobilized, he bought an AK-47 for $100. Sovalbarro also said that Santana, through "Commander Managua," had obtained a identification card issued to demobilized contras by the CIAV [International Commission for Support and Verification].

"Ruben" also said that Molina showed up at his INIRE office and offered to help locate needy demobilized contras. At that time, Sovalbarro said, Santana "spoke to me at length about his relations with "Commander 380" [Bermudez].

As for "Latigo," also included in the group of suspects, "he frequently met with Col. Bermudez. For example, they met with other demobilized fighters three weeks ago."

A few days before the murder, "Latigo" again saw Bermudez and invited him to a party on the outskirts of Managua where they were together for a considerable amount of time.

"Ruben" told Bermudez about all these people through "Commander Nolan" and a man named Jose Rivas.

"I recommended that he be careful, because I did not trust Silvio Santana or the other persons who accompanied him. I warned him to be careful, because we had bad reports on these people," he recalled.

"Nolan" sent this reply to Bermudez: "Tell 'Ruben' not to worry, that I trust these persons and I know what I am doing."

The telephone interview with Oscar Sovalbarro was very lengthy and detailed. Although he had just returned from Miami a few hours earlier, he accepted our request through his efficient press and information director at INIRE, Ariel Mayorga Mendoza.

Three or four days before the murder, Bermudez called an INIRE official named Carlos Garcia Agurto, alias "Gino." Bermudez asked to meet him at Silvio Santana's home. "Gino" told me about this and I told him to go, "but not to trust Santana."

This meeting could have turned "Gino" into a key figure in solving the current mystery, but the meeting did not take place, because when he arrived, Bermudez was not there, and even though a message was left for him to wait, he went back to his job at INIRE.

"I want to clarify to the Nicaraguan people that I never had any differences with Col. Bermudez," "Ruben" said at the beginning of the interview.

There is a statement that could be variously interpreted. "I sent him a message that I had nothing against him." I once again tried to find "Ruben" so that he could clarify the statement, but when I called him he was neither in his INIRE office nor at a house where he said he would be available.

What is the reason for this message from "Ruben?" Why did he feel compelled to clarify that he had nothing against him? Perhaps Bermudez had made demands? The message was taken by "Nolan," together with a warning that he should be on guard against Santana and his other friends.

Mr. Sovalbarro explained his activities on the eve of the murder and the following night. He said that on Thursday he spent the entire day at INIRE, working on papers pertaining to the exhumation of the remains of his brother, "Commander Danilo."

During the early morning hours of Friday, he went to Jinotega for the exhumation. He attended a mass and burial and returned to his home in Managua on Saturday at 1700. He noted that he did not go out again. At 0330 Sunday morning, a CIAV official notified him of the murder.

At 0800, he left his home, and from the OCRN offices he telephoned Government Deputy Minister Dr. Luis Pallais and Antonio Lacayo, minister of the Presidency.

It was in that office when he heard the attacks from Luis Fley, "Johnson," over Radio Corporacion. "The impression I have of him is that he wants to project himself as future leader of the resistance. That cannot be, because he resigned from the resistance to accept the amnesty offered by the previous government. He is no longer an RN member."

Sovalbarro denied having any problems with Bermudez. He recalled that in December 1989, Bermudez was separated from the RN General Command after a decision by the General Staff and the Council of Commanders, "due to a number of reasons on which I prefer not to elaborate."

He stressed that the main reason was that "Commander 380" did not support the negotiations that were taking place to put an end to the war.

"He was asked to remain an adviser, which he did not accept, so he decided to go to Miami. It was not until two months ago that I saw him at the U.S. Embassy. I was in the process of obtaining a visa. Since he was a good friend of the U.S. ambassador, I believe that he was visiting him."

Sovalbarro said that it was a cordial conversation. "We greeted each other with friendliness and respect. I always respected him, because when he was asked to resign, we

all agreed that he would always be recognized as top leader, so that there would be no resentment."

Although the authorities claim that Bermudez was killed by someone he knew, "Ruben" said that the description released by the Government Ministry on 22 February does not fit anyone in Bermudez' suspicious circle of friends.

During his stay in Miami, "Ruben" contacted Aristides Sanchez Herdocia by telephone. Sanchez confirmed—as indicated in a letter disclosed by Cardinal Obando—that he had warned Bermudez that his life was in danger.

Sanchez explained that he would not attend the funeral services because he was still suffering heart problems and doctors have recommended that he avoid strong emotions. Sanchez also asked "Ruben" to take care of himself "and to warn the boys that they must be careful." He added that he does not plan to return to Nicaragua for the time being.

"Ruben" said that he is not aware of the details discussed during a meeting held in "La Casona" on 21 February, where other OCRN leaders decided to demand an explanation from Sanchez concerning his warning to Bermudez.

Bermudez Associates Refute Sovalbarro Accusations

PA2802161391 Managua BARRICADA in Spanish 25 Feb 91 p 5

[Unattributed article: "Bermudez Associates Respond to 'Ruben'"]

[Text] The extensive and detailed statements by Oscar Sovalbarro, "Ruben," published on 24 February by BARRICADA, have shaken the ranks of the former contras. Several of those accused by Sovalbarro, deputy director of the Nicaraguan Institute for Repatriation (INIRE), including Bayardo Molina, rejected the charges.

Molina said: "I could never have committed such a crime. I am not a criminal and if 'Ruben' has evidence, I am willing to prove him wrong. God knows what he wants by making these accusations."

Since reading the interview with the leader of the Nicaraguan Resistance Civic Organization (OCRN), Molina's home has turned upside down. "My family is nervous. I have 10 children and this morning they asked me: Dad, what is going on? My wife is pregnant, too."

Molina repeatedly stated that if Oscar Sovalbarro knew that the life of former GN [National Guard] Colonel Enrique Bermudez was in danger, "why did he not inform the National Police or the Government Ministry so that they could have provided protection, thus preventing the murder?"

Molina added: "I am not going to accuse 'Ruben' as he did us, but if he is suspicious, it is because he knows something."

"Ruben" told BARRICADA that he had warned Col. Bermudez through "Commander Nolan" that his life was in danger and that his closest supporters—Silvio Santana Lopez, Bayardo Molina, and Commanders "Latigo" [Whip] and "Managua"—were not trustworthy.

On 24 February at 1630, however, Molina got in touch with "Nolan" to hear his version of what "Ruben" had said.

"Nolan" told Molina that he had indeed talked to Bermudez. He added that he told the former GN colonel to be careful in a general way, without mentioning any names.

In his statements to BARRICADA, Molina gave information which may be of interest to the authorities. "We have reliable reports that Col. Bermudez had telephoned INIRE several times and 'Ruben' did not want to receive him."

Molina added that he has witnesses to prove that "Ruben" refused to meet with Bermudez. "NEW YORK TIMES reporters know that 'Ruben' refused to receive 'Commander 380' [Bermudez]."

Molina gave details of a visit by an envoy of "Ruben" to Col. Bermudez at the home of Engineer Silvio Santana Lopez.

The envoy was Jose Rivas, also known as "Commander Rivas." When he arrived in Santana's home, Bermudez was meeting with his main supporters.

"'Commander 380' was with us and he did not want to talk to Rivas," remembered Molina. "He asked Santana to talk to Rivas and tell him that he did not want to have anything to do with those from La Casona."

As everyone knows, La Casona is the headquarters for OCRN, an organization led by Oscar Sovalbarro, Rodolfo Ampie, "Invisible," "Emiliano," and other former military chiefs of the Nicaraguan resistance.

Molina said that the statements by "Ruben" will have an impact on the investigations that are being conducted by the Government Ministry. He concluded that the investigation would act like a boomerang, because it is already pointing against the INIRE deputy director.

Ortega on Ungo, Bermudez Deaths; U.S. Threat

PA0103023691 Mexico City NOTIMEX in Spanish 2226 GMT 28 Feb 91

[Text] Mexico City, 28 Feb (NOTIMEX)—Commander Daniel Ortega has said that the Salvadoran people will manage to continue their struggle and fill the void left by opposition leader Guillermo Ungo in the negotiations aimed at achieving peace in El Salvador.

Guillermo Manuel Ungo, leader of El Salvador's National Revolutionary Movement (MNR) and vice president of the Socialist International (SI), died today in Mexico City at the age of 60 as a result of a blood clot in the brain.

When interviewed at this capital's airport shortly before heading for Nicaragua, Ortega expressed the hope that a replacement will be found for Ungo in the peace negotiations, which "are vitally important for the Salvadoran people." Ungo would have participated in the municipal and legislative elections as a Democratic Convergence candidate in El Salvador on 10 March.

Meanwhile, the leader of the Sandinist National Liberation Front (FSLN) and former Nicaraguan president said that he believes that it will be difficult for his country to recover its previous level of economic development in under one year, as current President Violeta Chamorro has announced.

"The little financial aid that has been offered to Nicaragua has been subjected to the implementation of economic adjustment measures, which adversely affect the people and create higher tension among them," he said.

Ortega added that the danger persists that the United States, after its triumph over Iraq, will threaten countries such as Nicaragua, Cuba, and El Salvador "by imposing its power on them."

He rejected any association of the FSLN to the death of Colonel Enrique Bermudez, former leader of the counterrevolution, as has been suggested by organizations that belonged to it.

"The police are investigating and the police should be the ones to solve this. We are awaiting a report from them in this regard," Ortega finally said.

Customs Workers Strike; All Customhouses Closed

PA2802152891 Managua Radio Sandino in Spanish 1200 GMT 27 Feb 91

[Text] All customhouses are closed as a result of salary demands by striking workers. The customhouses at Guasaule, Corinto, El Espino, Penas Blancas, Potosi, and Las Manos, as well as the Sandino Customs, [name indistinct], and the General Customs Directorate were all closed yesterday after workers began striking for higher wages.

The strike has serious consequences for the government; it stands to lose 40 percent of its revenues while hundreds of trucks are stranded at the border and are unable to bring products into the country.

Cesar Reyes, UNE [National Union of Employees] labor leader at the Sandino Customs Office, explained the salary problems as follows:

[Begin recording] [Reyes] We are on strike because the General Customs Directorate is reluctant to grant us a salary increase.

[Reporter] How large an increase are you requesting?

[Reyes] We have decided to divide this into three groups: One group—workers who are paid less than 100 gold cordobas—demands a 180-percent wage hike; another group—those earning an average salary of a little over 100 gold cordobas—wants a 170-percent increase; and a third group—those holding higher positions and managing certain offices and who earn between 180 to 200 gold cordobas—is demanding a 120-percent salary increase. Currently 98 percent of all customhouses are closed.

[Reporter] Only the customs office at the air terminal is open?

[Reyes] Yes, only the air terminal customs office is open, because we did not ask those workers to join the strike.

[Reporter] Does this means they will not join the strike, or is there a possibility that the strike situation will become worse?

[Reyes] There is a chance that the strike will spread, because this institution is linked with the Ministry of Construction and Transportation and there have been talks. The air traffic controllers could also strike, because Engineer Icabaleceta [minister of construction and transportation] has refused to grant them a salary increase [word indistinct] in the control tower. This means that the control tower could close Nicaraguan airspace, causing serious consequences for the country.

[Reporter] What specifically do you want?

[Reyes] We want to negotiate with Finance Ministry authorities, particularly [Finance Minister] Dr. Emilio Pereirea or his deputy minister. [end recording]

* New Sandinist Businesses, Entrepreneurs Detailed

91CA0066A Managua LA PRENSA in Spanish 15 Jan 91 pp 1, 8

[Article by Felix Navarrete]

[Text] After the Sandinists lost the elections in April of last year, a large number of bars, small restaurants, and little hotels with colorful names began springing up in various areas in the capital, lengthening the list of thriving Bohemian businesses.

A silent tour that LA PRENSA conducted reveals that the Sandinists have followed the example of other opposition parties around the world which in order to maintain their ideology and help their large political family to survive have gone into the grocery, bar, small restaurant, hauling, taxi and money-changing business.

Although the mystery is the origin of all of this financing, the fact is that they have already invested the money and are challenging Nicaragua's traditional merchants.

Pop decor, dotted with photographs of Dick Tracy and Madonna, marks the Bohemian atmosphere of "Chico Soda," a cafe-soda fountain on Bosques de Altamira Avenue downtown that is visited night after night by families linked to the party as well as by normal customers.

Sports reporter Edgard Tijerino and high-level Interior Ministry military officials frequent "Chico Soda," which is owned by Ivan Garcia, the director of the defunct "Sandinist Television System."

Visitors to the establishment have remarked that by the way they decorate their businesses, the Sandinists are showing their grudging admiration for the American way of life, which apparently is not inconsistent with their new political philosophy.

Announced by an eye-catching sign on which a pen-and-ink drawing depicts what looks like a stage scene, "El Jardin de los Cerezos" [The Cherry Orchard] was our next stop. Named after a play, this restaurant is the property of Sandinists who have now become pragmatic businessmen and "sometime" artists.

The locals who come here assume that internationalists Enrique Polo and Lucero Milan, who are affiliated with the Sandinist Party and own a theater, also run "El Jardin de los Cerezos."

"Hamburger King," another business located opposite the UCA [Central American University], is owned by Samuel Santos, the former mayor of Managua, we were told by the counter person, a young girl in uniform who looked just like her counterparts in Miami and elsewhere in the United States.

The theory of "capitalist exploitation" is alive and well among the Sandinists, who apply it in their brand new businesses, we were told by one of the young girls who work at "Hamburger King." She talked to us about employer-employee relations between the Sandinist shareholders and the staff at "Hamburger King."

"The wages are low, and the bosses claim that sales are low because the place is new," said the young girl, who feels "exploited" by a Sandinist owner. It is also thought at "Hamburger King" that Carlos Guadamuz, the director of Radio Ya, owns shares along with former FSLN [Sandinist National Liberation Front] international-relations officials; oddly enough, they have been starting up "small businesses" all over the Managua urban area.

As someone remarked a few months ago, perhaps the best fate that could have befallen the FSLN is that it went from being a ruling party to being a civilian association of merchants. An irony of history.

Panama

Attorney General Linked to Cali Drug Cartel

PA2802165191 Panama City EL SIGLO in Spanish 27 Feb 91 p 12

[Unattributed article]

[Text] Members of the Cali cartel who are operating in Panama may be planning a criminal attack on Attorney General Rogelio Cruz if he resigns from his post, according to information obtained by EL SIGLO. The Cali cartel, which is waging a fierce fight with its Medellin rival to obtain supremacy in the Panamanian drug market, is not happy about the possible resignation or replacement of Rogelio Cruz, and would reportedly be prepared to murder the attorney general. A news source consulted with by EL SIGLO maintains that local drug traffickers, on instructions from Gilberto Rodriguez Orejuela, head of the Cali cartel, might attack Attorney General Cruz, because if he leaves his post, a new attorney general could well end the criminal drug trade in Panama and halt money laundering activities through the national banking system. Documents obtained by EL SIGLO indicate that the relationship that Cruz has maintained with Rodriguez Orejuela since 1984 when he was executive secretary of the First Interamericas Bank could well turn out to be a fatal relationship if he resigns from the post, because the cartel, as in the case of General Noriega, could feel threatened by what Cruz knows. Another potential danger for Cruz, if he leaves the post, would come from the drug traffickers who expect their funds to be unfrozen, just like the Noriega supporters who, after paying huge bribes to have their misbegotten gains released, are expecting positive results. Recently, Attorney Sidney Sitton accused Attorney General Cruz of being linked to a mafia of local lawyers who are involved in unfreezing accounts in local banks. The attorney general has not yet answered the charges made publicly by Sitton except to say that a local lawyer had been using his name to unfreeze local accounts. Attorney General Cruz has publicly denied that he is involved in this activity, but so far he has not disclosed the name of the lawyer in question.

Situation of Attorney General Cruz was recently aggravated with the release of [former prosecutor] Carlos Villalaz and the departure of the infamous Popito Chiari [former government minister]. Sources consulted with by EL SIGLO question Cruz' role as attorney general, noting the passive role that he has played to date. A Panamanian banker who talked to EL SIGLO was not surprised by Popito's departure nor by the return of Humberto Lopez Tirone [leader of former pro-Noriega paramilitary groups] from Ecuador. He said: "With an attorney general like Rogelio Cruz, anything is possible in this country."

EL SIGLO also talked with local lawyers about the threat to Cruz from Colombian drug traffickers if he leaves his post. One lawyer who asked not to be identified said:

"Look, Cruz has been dealing with the Cali cartel since 1984, just like Noriega. The Colombian drug traffickers cannot allow Cruz to resign, because it would make a lot of people nervous." He added: "Cruz would have to see how he could weather the storm. If he returns to private life, he would lose his bodyguards and all the protection provided by the state. Another source consulted with by EL SIGLO echoed the comments of those who agree that if Cruz leaves, he might become a target of those who still have money to be recovered or released in Panama.

EL SIGLO has also learned that possible replacements for Cruz, once the reorganization of the Attorney General's Office ordered by President Endara is complete, are already being considered. If this happens, Cruz will have to take many precautions to protect himself from the Colombians, the source said.

The attorney general himself recently noted the possibility of a criminal attempt on his life. This was widely reported by news sources.

Ford on Charges Against Attorney General

PA2802133791 Panama City EL SIGLO in Spanish 27 Feb 91 p 14

[Report by Aneldo Arosemena]

[Text] "Any government official, no matter what his rank, who is questioned by citizens, should reply with clarity and straightforwardness to the Panamanian people; otherwise he should resign," Second Vice President Guillermo Ford has said. He tacitly referred to the accusations made against Attorney General Rogelio Cruz regarding his alleged links to drug trafficking.

Legislative Assembly President Alonso Fernandez, who is a member of Molirena [Nationalist Liberal Republican Movement] like Ford, said that if well-documented charges are filed before the Legislative Assembly through the Credentials Commission, the attorney general could be tried in accordance with Panamanian laws. There must, however, be a lawsuit and it must be declared that he violated the Constitution, Fernandez said, adding that there are individuals in charge of handling justice. He went on: Law 3 was presented to the National Assembly by the Supreme Court of Justice. If government officials are not complying with their duties, there is a law to deal with such cases. The plenum, and not the accuser, must decide if it is worthwhile to proceed with the case.

He added: The Credentials and Government and Justice Commission is solely responsible for presenting charges to the plenum. I cannot say whether justice in Panama is right or not, but there are people who are responsible for its implementation.

Five Public Prosecutors' Resignations 'Processed'

PA2802234291 Panama City LA PRENSA in Spanish 26 Feb 91 p 1

[Text] Five public prosecutors' resignations were "processed" yesterday afternoon, after Attorney General Rogelio Cruz discussed cleaning up the Attorney General's Office with delegates from diverse lawyers' associations.

Representatives from the National Bar Association's board of directors, the Independent Lawyers Front [Frente de Abogados Independientes—FRAI], and the In Favor of the Law Group [Grupo Pro Ley], who met yesterday for approximately three and a half hours with Rogelio Cruz, agreed to study the current situation in the Attorney General's Office and give him a reply today. The lawyers will reply if they intend to support Cruz in this institution's restructuring.

Four days ago, the attorney general asked all the public prosecutors to tender their resignations. This action coincides with the crisis caused by the change of sentence issued in favor of former Attorney General Carlos Villalaz—an active Noriega collaborator—from preventive arrest to house arrest.

Nevertheless, during yesterday's meeting significant differences of opinions came up among the diverse lawyers' associations. While FRAI proposed having Cruz resign to solve the crisis, the Bar Association stated it had not considered the dismissal of the controversial attorney general.

At the end of the meeting yesterday, FRAI member Carlos Jones said: "We and those of the In Favor of the Law Group told Cruz up front that the only way to start cleaning up the Attorney General's Office was with his resignation, and then continue down the line."

Meanwhile, National Bar Association President Jose Alvarez stated that the association's board of directors, "is not asking for the attorney general's resignation." Alvarez added that he believed that if they all worked together this week, we would see "many new faces in the Attorney General's Office."

The lawyers agreed to meet with the members of their associations and decide today whether or not they are going to cooperate with Cruz, pointing out to him the more sensitive issues that have to be dealt with in the restructuring of the Attorney General's Office.

Even though Cruz requested the prosecutors' resignation, it has been learned that Nelson Rovetto and Danilo Montenegro said they will not tender their resignations because they have acted according to the law. Others have stated the same.

The Attorney General's Office issued a communique at 2000 last night stating that the attorney general has

received word from a large number of the 115 directorates in the Attorney General Office's, adding that the officials in charge of each directorate have tendered their resignations.

"We immediately accepted the resignation of Prosecutors Luis Felipe Munoz, Adolfo Mejia, Jose Castillero, Elias Dominguez, and Gilberto Gomez Cazorla," the communique states, adding that "their replacements will be announced in a matter of hours."

The note also stated: "We will announce their replacements, and we will give the names of the new officials."

"The above has been carried out following a long meeting with the three leading groups of the National Bar Association," the note concluded.

The crisis in the Attorney General's Office started when the Second Court of Justice revoked Judge Guillermo Salazar' ruling changing former Attorney General Carlos Villalaz' preventive arrest into a house arrest. The Second Court of Justice ordered that Villalaz be returned immediately to the Modelo Jail.

Banking Association Approves MLAA Proposed by UK

PA2802153691 Panama City EL PANAMA AMERICA in Spanish 26 Feb 91 p 8C

[Report by Carlos Vargas]

[Text] Edgardo Lasso Valdes, president of the Panama Banking Association [ABP], stated on 25 February that the new Mutual Legal Assistance Agreement [MLAA], which is being negotiated by the Governments of Panama and Great Britain, will not affect the local banking system because it is exclusively meant to fight drug trafficking and money laundering.

Valdes pointed out that bankers will be in favor of the government signing any treaty or document with any country of the world that helps to restrain those persons who are involved in illegal activities. These agreements, as the one proposed by Great Britain, must exclusively include drug trafficking and money laundering.

With respect to the MLAA that Panama is negotiating with the United States, Valdes pointed out that bankers were objecting to the inclusion of tax evasion because it is not convenient for the [Panamanaian] banking system.

Lasso Valdes reiterated, however, that the final decision with respect to signing the MLAA with the United States will depend on the national government.

In the case of the MLAA proposed by Great Britain we urge the Panamanian Government to sign it as soon as possible, Lasso Valdes pointed out.

The president of the ABP said that the signing of these agreements will serve as proof and assurance to the world that Panamanian and foreign bankers working in the local banking center do not cater to money laundering and do not support drug traffickers.

In concluding, Lasso Valdes said that any document that is signed and that attests our will to fight these scourges to mankind will receive the approval of all bankers.

Argentina

Government Supports Allied Cease-Fire in Gulf

PY0103001491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2342 GMT 28 Feb 91

[Text] Buenos Aires, 28 Feb (NA)—The Argentine Government today acknowledged with "satisfaction" the news of the liberation of Kuwait and the suspension of the allied forces' military operations in the Persian Gulf. This announcement was officially reported by U.S. President George Bush to his Argentine counterpart, Carlos Menem.

This information was reported in a Foreign Ministry communique which states that the Argentine Republic, "whose desire for peace has been expressed through its full respect for the principles of international law, believes that this decision by the allied forces is significant under the present circumstances because it seeks to avoid further deaths or material damage."

The official communique states: "This is a moment to express our deepest sympathy for the sorrow of all those people who have suffered the loss of relatives or loved ones as a result of this war."

"The Argentine Government wishes to publicly express its great recognition of the Argentine military men, who have performed an outstanding job which deserves the respect and recognition of the entire Argentine people, as do their relatives, who have silently endured the anguish of having their loved ones in the theater of operations," states the communique.

The note also deems it appropriate to publicly recognize the "efforts by society as a whole; by the honorable National Congress for its support for the executive branch's decisions; by the private sector, which endured the damages caused by the embargo imposed in compliance with the UN Security Council resolutions; and to all others who have cooperated."

Menem Calls Kuwaiti Amir; Embassy To Open

PY2802150991 Buenos Aires TELAM in Spanish 1344 GMT 28 Feb 91

[Text] Buenos Aires, 28 Feb (TELAM)—President Carlos Menem this morning telephoned Kuwaiti Amir al-Sabah to congratulate him now that his territory has been liberated by the UN troops. He announced that Argentina would open an embassy in that country in order to enhance relations.

Presidential Spokesman Humberto Toledo reported that, personally and in the name of his people, Al-Sabah thanked Menem for calling him on such an important day and told Menem that he was very satisfied over the opening (of an embassy) and announced that this initiative would be reciprocated.

President Menem spoke with the amir, who is now in Saudi Arabia where he established his government in exile, during a break in a cabinet meeting that was being held at the briefing hall of Government House.

The spokesman added that Al-Sabah expressed his hope that peace will open possibilities of cooperation between the two countries, repeating that he was very moved by the call.

UK Trade Minister Meets With Cavallo, Menem

PY0103004091 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 28 Feb 91

[Text] Argentine Economy Minister Domingo Cavallo met today with Timothy Sainsbury, British secretary of state for trade and industry [name and title as received], to discuss the economic future of the country and the privatization policy.

The meeting at Cavallo's office was also attended by UK Ambassador John Humphrey Maud and an adviser to Cavallo. According to Economy Ministry spokesmen, Sainsbury discussed the possibility of extending the Uruguay Round of the GATT talks for six months and said his country will reportedly propose to the EEC a substantial reduction of subsidies in the agricultural sector. Some 600 British companies have requested an action of this kind from the British Government.

Sainsbury will also meet with Argentine Foreign Minister Guido di Tella at 1630 today to discuss mutual relations. Di Tella will then accompany Sainsbury to Government House, where at 1830 he will be received by President Carlos Menem.

Japan Signs Public, Commercial Debt Accords

PY2802195691 Buenos Aires BUENOS AIRES HERALD in English 28 Feb 91 p 3

[Text] Foreign Minister Guido di Tella and Japanese Ambassador Yoshio Fujimoto yesterday signed accords concerning Argentina's public sector and commercial debt with Japan.

The former, largely made up of money owed by the Banco de la Nacion, the Salto Grande dam monitoring committee and the Hidroelectrica Norpatagonica Hydroelectric Company, is worth around 110 million dollars. The latter is worth 160 million dollars.

In total, 500 million dollars worth of debt was refinanced, and is now to be repaid within 10 years, with a six year grace period. The renegotiation opens the way for Argentine firms to benefit from export cover extended by Japanese institutions, such as the country's Import-Export Bank.

Thousands of Demonstrators March on Plaza de Mayo

PY2702211291 Buenos Aires BUENOS AIRES HERALD in English 27 Feb 91 p 1

[Text] (NA-DYN)—Dissident railway workers rallied yesterday afternoon at Plaza de Mayo in order to demand the basic wage of two million australs and the reinstatement of dismissed colleagues.

The rally, attended by an estimated 5,000-6,000 demonstrators, was held mainly in front of Government House and was supported by many traditionally rival unions and leftwing political parties.

"We are the crest of a large oncoming wave," warned La Fraternidad leader Daniel Tronconi on reading the proclamation drafted by the striker's liaison board, which then went on to criticize the managing committees of the three unions because "they do not respect our fight; not only are they against us but they also play the sad role of strike-breakers."

He also stated that "railway workers are demanding what all the people are asking" with the assurance that "this time there will be no treason because the fight is being led by the workers."

Tronconi then went on to accuse the government of being "to blame for the conflict because of the economic policies they are implementing," and criticized the CGT [General Confederation of Labor]-Azopardo for being "passive."

The event took place without incident and under the heavy vigilance of policemen who surrounded Government House and the ministries around the square.

Menem on Economic Stabilization, Corruption Cases

PY2802225691 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 28 Feb 91

[Excerpt] President Menem released important information this morning in remarking on various current issues in the national situation. The chief of state said things are stabilizing little by little and that inflation in March will be much lower than in February.

Menem confirmed that the upcoming elections will be held on 8 September, not a minute earlier or later.

The chief of state added that there is no possibility of changing the currency. Therefore, he said, we will keep the austral.

Menem added that Argentina will overcome this difficult situation with the economic philosophy the government is pursuing. Menem also said: We are working to change the country that we inherited, and we still need a little more sacrifice to achieve our goals.

Menem noted that the government has raised many charges of corruption and that it is still investigating the $105 billion [as heard] that vanished from the Central Bank and what happened at Yacyreta, which he has described as a monument to corruption. [passage omitted]

* Orsi, Fernandez' Biographic Data, Views

* Planning Secretary Orsi

91SM0206A Buenos Aires CLARIN in Spanish 1 Feb 91 p 5

[Report by Silvia Naishtat]

[Text] Vittorio Orsi, who has been planning secretary since yesterday, was courted not by Domingo Cavallo but by his predecessor, Erman Gonzalez. Perhaps because of the distance (Orsi was running SADE Brasil in Sao Paulo), this well-known captain of industry was the first to find out about Erman's troubles.

On Saturday 19 January, Erman called him in Sao Paulo, when no one suspected that he was going to resign. Nine days later, in contrast, he spoke to him about the chaotic state of the economy.

Orsi, whom his peers have nicknamed "the old Vizcacha" because of his advice-giving, suggested a program accord to him: "You have to extend a hand to the UCR [Radical Civic Union]." Erman convinced him to then become the champion of such an accord. On the same day, Orsi said yes in writing to the "dear" minister. But on condition that the administration be willing to take a second step. And this second step has a name. Orsi wants Argentina to have a reconstruction institute, a carbon copy of Italy's IRI [Industrial Reconstruction Institute].

He wanted neither photographs nor tape recorders. According to this native of Rome, who since yesterday has also been in charge of the new mini-cabinet, we are deluged with pictures and words. He describes himself as a person of action, of tough language like Winston Churchill, and of stoic attitudes like Ghandi.

He says that he knows suffering. He fought in World War II as a first artillery officer and later as a navy officer. In 1946 he worked as an electromechanical engineer to start up industries in Verona and Venice. He arrived in Argentina in 1948 and ran SADE, which belongs to the Perez Companc group. This construction firm, of which Orsi owned a 15 percent share, gave rise, in turn, to some 30 other companies. In March 1989, however, Orsi exchanged his shares for 47.5 percent of SADE Brasil.

Orsi's departure was traumatic to the Radicals (Raul Alfonsin and Rodolfo Terragno were a devoted audience of his). By then the Springtime Plan had been torn to shreds, and the departure of Orsi, who had promoted integration with Brazil and the agreements with Spain and Italy, boded ill.

"I have no interests now in any financial group in the country. That takes pressure off me. Otherwise, I would not have accepted." But Orsi, who in his free time

escapes to his dairy farms in Carmen de Areco, still controls SADE Brasil and is also director of the U.S. bank American Express.

During the precisely 45-minute talk with CLARIN the 73-year old Orsi, who has two physician daughters, showed great vitality: he outlined a slew of projects, walked back and forth in the living room of his apartment in the heart of Palermo Chico, answered calls (including one from a top Radical leader), and sped off to another meeting with Minister Cavallo.

He is said to be the intellectual of the Maria group, of the captains of industry who would often visit Foreign Minister Dante Caputo. His library, which is filled with books in English and Italian, includes such works as Kant's "Critique of Pure Reason," a history of thought by Spadolini, successful executive Lee Iacocca's book, and "The Bolshevik Revolution" by Carr. His favorite writer, however, is Paul Johnson, whom he quotes constantly and whose volume on intellectuals, in which Johnson himself penned a dedication to Orsi, has become his bedside reading. "Brecht and Rousseau were fragile. It is a human condition. The democratic system is fragile, and the process tiring. But societies must be open and democratic. Authoritarianism and dogmas must be rejected."

"Industry Gives Everyone a Chance"

One of Vittorio Orsi's functions will be to monitor the privatization process. As the planning secretary said, "we must be cautious in the field of electric power, given its impact on cost structure. And we ought to avoid forced, last-minute accords like ENTEL [National Telecommunications Enterprise] and Argentine Airlines in areas as sensitive as telephone service and transportation."

The following are other comments by the coordinator of the mini-cabinet, which consists of the ministers of the economy, labor, foreign relations, and defense:

- We have to start a reconstruction institute in Argentina like the Italian IRI. The point is to seek out our competitive advantages, to find out where our productive forces lie. The Italians found them in fashion, ceramics, drugs. The Germans in petrochemicals. The Japanese in electronics. In Argentina we have to seek them in all of industry. When I say industry, I mean agriculture and I also mean banks.
- Economic policy cannot be based solely on farming, oil, and gas. That would be a correct strategy if there were ten million of us. But there are 30 million of us. It is industry that gives everyone a chance.
- But the driving force of our policy must be to give people a chance, which is the same as giving them jobs. We have to set the system of shared ownership in motion, create health insurance, unemployment benefits, and a flexible law.
- I hope that our businessmen have learned from pain. At times, though, seeing how they behave (he did not clarify), I wonder what the level of pain has to be for them to change.
- Our annual output represents some $200 a month per person, and we consume a lot more. This means that we are getting into debt. The issue is how, in a supreme effort, we can create savings.
- Regional integration, particularly between Argentina and Brazil, is the key to investment. And we have to harness the IDB [Inter-American Development Bank] investment programs and bring back Argentine capital. We have to emphasize the treaties of special relations, the ones signed with Italy and Spain.
- The focus of our attention ought to be financing and investment. To get ahead, we need to achieve an output of $2,800 per capita and investment of between $10,000 and $15,000. Our toughest competitors are between $15,000 and $18,000 income per capita and between $70,000 and $120,000 in investment.
- It is not inevitable that we are going to be successful. The important thing is to achieve a climate in which a political accord is essential. The hair-splitting arguments with the opposition have to end, and given how serious the crisis is, we must devote ourselves to reconstruction.
- We have to create a safety net through a program accord. It has to be a political accord in Congress, not a social pact.
- A social pact is always put together among economic bodies outside of Congress and, by its very nature, is liable to be disrupted by the most violent elements.

* BCRA President Fernandez

91SM0206B Buenos Aires CLARIN in Spanish 1 Feb 91 p 6

[Text] The Central Bank of the Argentine Republic [BCRA] will be keeping Roque Fernandez, who will become its president. The CEMA [Macroeconomics Studies Center of Argentina] specialist, an orthodox monetarist, will be in charge of an institution that ought to be independent. A bill to this end, which includes its new charter, is on hold in the Legislature. Felipe Murolo, who is seen as closer to Minister Cavallo, has become vice president.

Although the makeup of the Central Bank's top echelon was decided yesterday, even the best informed bankers and businessmen were left without enough signals to construct possible scenarios about financial and exchange-rate policies.

Neither the appointment of Roque Fernandez as president of the Central Bank, which was confirmed yesterday, nor the naming of Felipe Murolo as vice president were enough to calm the Buenos Aires business world.

Roque Benjamin Fernandez, whose appointment as president of the Central Bank, was confirmed by Domingo Cavallo himself at noon yesterday, is neither a businessman nor a trader nor a lobbyist. Thus, how he

will decide or rule on an issue is hard to predict because his personality is not that well known.

Born in the province of Cordoba in 1947, he received his doctorate in economics from the University of Chicago, where he specialized in monetary and banking theory. When he returned to the country, he and two other economists founded CEMA, where he taught postgraduate courses in economics. CEMA is philosophically allied with Milton Friedman or the Chicago School. He also served as a consultant to various governments and international agencies but had never engaged in any political activity. Until the Menem administration he had never held a public post. Orlando Ferreres (Nestor Rapanelli's deputy economy minister) proposed him as member of the Central Bank Board of Directors.

At that point Fernandez practically abandoned his academic activities in CEMA to devote himself almost entirely to public life. From the time of his appointment the then president of the Central Bank, Javier Gonzalez Fraga, felt that Fernandez was actually an agent of the minister of economy inside the bank to monitor what he was doing (the same thing happened with Erman Gonzalez, a Menem confidant, who was named vice president of the Central Bank). Fraga therefore went about trying to overshadow Fernandez (he was unable to do so with Erman) by limiting his public appearances and assigning him medium- and long-range tasks.

Roque Fernandez thus played an active role in drafting the Central Bank's new charter, which the administration sent to Congress and which has not yet been passed.

Moreover, Fernandez will also continue to seek a negotiated settlement with creditors and to maintain close ties with international agencies, precisely because he is an orthodox pragmatist.

As for his economic philosophy, Fernandez is a defender of a free-market economy that is integrated with the rest of the world. He believes that dollarizing does not help provide legal security in an economy that has not completed a government reform that will ensure a permanent fiscal house-cleaning. Moreover, he believes that a dollarized economy is not necessarily preferable to an economy with an inflation tax. In Fernandez' view, the key to a sound economy is its fiscal situation, and in order to strike a suitable balance between government revenues and expenditures, a reform of the State is needed.

Although he admits that the inflation tax is intrinsically bad, collecting it is justified when it is used for such purposes as government reform, to pay retirees, to accumulate reserves, or to service the debt.

As his predecessors at the head of the Central Bank have done over the past 18 months, Fernandez will probably say that exchange and financial restrictions have to be abolished. Given his character and political profile, however, he will need a great deal more to be considered a promoter of policies besides being Domingo Cavallo's confidant.

Bolivia

'Lasting Peace Agreement' in Gulf Desired

PY0103012091 Madrid EFE in Spanish 0049 GMT 1 Mar 91

[Text] La Paz, 28 Feb (EFE)—The Bolivian Government today voiced its satisfaction over the end of the war in the Persian Gulf and voiced its hope that all the remaining problems in the region will be solved.

Bolivian President Jaime Paz Zamora told the media that his government "hopes peace will be more successful than war" in finding a solution to problems in the Near East and asserted that his government, within the United Nations, will act toward that goal.

Foreign Minister Carlos Iturralde voiced his hopes that a lasting peace agreement for the Persian Gulf will be signed soon and reiterated the Bolivian Government's support for the 12 UN Security Council resolutions condemning Iraq's invasion of Kuwait.

COB Plans To Pressure Government on Salaries

[Editorial Report] La Paz La Red Panamericana in Spanish at 0000 GMT on 27 February carries a three-minute report on various actions that the Bolivian Labor Federation (COB) has decided to sponsor throughout the country beginning 7 March.

The report states: "COB Secretary General Daniel Santalla explained that the pressure measures will begin with rallies, followed by an indefinite general strike as well as a hunger strike."

The report points out Santalla's comment "that this decision does not involve breaking off negotiations with the government, as COB leaders will again meet with the government's economic team on 28 February. He expressed confidence that the government will be able to favorably meet the requirements of the working class to prevent the implementation of the pressure measures."

The report goes on to note that the General Trade Union Confederation of Peasant Workers of Bolivia (CSUTCB) has announced that it will actively join the COB mobilizations as of 7 March by blocking roads. CSUTCB leader Guido Rivas has pointed out that "the peasant affairs minister can prevent the implementation of these measures by meeting their problems and favorably resolving them."

The La Paz Urban Teachers Federation, the report continues, has said that "the COB is weakening the workers movement by calling for these mobilizations

while simultaneously pursuing talks with the government." Union leader (Simon Remal) said "the government will surely commit itself to improving the salary proposals in order to prevent the mobilizations, but not to the extent requested by all the workers in the country."

New La Paz Superior Court Judge Installed

PY0103113891 La Paz Television Boliviana Network in Spanish 0000 GMT 1 Mar 91

[Summary] After being sworn in as La Paz Superior Court president, Alberto Bellot San Martin said that he will speed up the administration of justice and eradicate corruption.

Brazil

End of Persian Gulf Hostilities Welcomed

PY0103013091 Madrid EFE in Spanish 0040 GMT 1 Mar 91

[Text] Brasilia, 28 Feb (EFE)—The Brazilian Government has accepted the end of hostilities in the Persian Gulf with satisfaction, indicating that Iraq's unconditional withdrawal from Kuwait represents "the end of expansionist adventures," according to a communique released by the Brazilian Foreign Ministry today.

The Foreign Ministry said that, in view of the new situation, Brazil is taking this opportunity to renew its offer to the United Nations to participate in the Middle East pacification process.

The communique released by the Foreign Ministry (Itamaraty) recalls that Brazil condemned the invasion of Kuwait from the beginning and that it "strictly obeyed" UN Security Council resolutions aimed at an Iraqi withdrawal.

Itamaraty reported that U.S. President Bush expressed his interest in developing cooperation and dialogue with Brazil when he reported the end of hostilities to President Fernando Collor de Mello yesterday.

The U.S. State Department has criticized Brazil's moderate stand on the Persian Gulf conflict, and Bush and Collor de Mello exchanged letters on the matter.

Industrial Competitiveness Program Launched

PY2802123891 Brasilia Domestic Service in Portuguese 2200 GMT 27 Feb 91

[Recorded passages in quotation marks]

[Text] President Fernando Collor today at the Planalto Palace announced the Industrial Competitiveness Program.

This program is the final stage of the government's strategy that seeks to produce goods and services of international standards of quality at competitive prices.

During the ceremony President Collor signed two bills. The first establishes that new machines and equipment are exempt from taxes on industrialized products. It provides for rapid depreciation on investments made in 1991 and 1992 and a reduction of income tax for those enterprises that invest within this period. The second bill authorizes the financing of export of goods and services through the export development program with resources from the National Treasury.

President Collor believes that the Industrial Competitiveness Program will pave the way for foreign investments in Brazil. He said that this program will encourage economic growth.

[Collor] "The systematic approach of competitiveness that has been mentioned by the economy minister is a task that demands the cooperation of the government, businessmen, and workers. The competitiveness of the Brazilian economy will help to improve the growth, expand the level of employment, and generate more wealth. The competitiveness will enable foreign investment, which is essential for promoting modernization and growth, to return to the country."

President Collor also said that the government will reduce the cost of investment for foreign enterprises which decide to establish themselves in Brazil.

[Collor] "I believe that 1991 and 1992 will be recalled in the history of the Brazilian economy as the years when the competitive reorganization of Brazilian industry occurred with great intensity. Enterprises will realize that the cost of investing in Brazil will decrease and that the local market has a great potential. Those who trust in this new period and invest now will be the privileged partners of the new Brazil, a socially just and economically developed country."

President Collor reasserted that the Industrial Competitiveness Program will transform the Brazilian education system.

[Collor] "Among the measures that were announced, I want to stress the creation of an interministerial commission that will, within 60 days, propose the reorganization of the technical and university education systems. We will no longer continue to allocate 70 percent of the federal public resources assigned to education to finance university education. The systems adopted in developed countries show us that this percentage should be allocated to finance basic education. It is true that education as a whole needs increased resources if it is to to play its reforming role within the Brazilian reality. I reiterate that we will together promote the educational revolution in our country."

President Collor also said that the country's deficient educational structure is a serious problem and an obstacle for competitiveness.

Central Bank To Help Renegotiate Public Debts

PY2802234091 Brasilia Domestic Service in Portuguese 2300 GMT 27 Feb 91

[Text] The Central Bank is working on a series of agreements to be signed with elected governors to help indebted states put their public debt titles on financial markets.

State banks are finding it increasingly difficult to renegotiate their debt bonds because the financial market does not consider the state titles very secure. The Central Bank is offering to guarantee the titles by issuing some kind of declaration stating that the title owner is in good financial standing.

The bank is making a series of demands in exchange, including a ceiling on state administrative spending and a prohibition on issuing more titles because this would push state debt ceilings over the total put forward for renegotiation.

Espirito Santo Governor-elect Albuino Azeredo has already agreed to sign the agreement, although with some demands. He wants to negotiate Siderbras [Brazilian Iron and Steel, Inc.] debts to the state, totaling 2.7 billion cruzeiros, with the Economy Ministry.

[Begin Azeredo recording] We are ready for an agreement with the Central Bank. The bank has made some demands, with which we are already complying in some cases. The issue of personnel [word indistinct] is within the constitutional limit of (?65) percent. The state, however, wants the government to include the national debt with the state in the negotiations. Siderbras owes the state nearly 2 billion cruzeiros. Portobras [Brazilian Ports Enterprise] also owes money to the state. We want to include the national debt to the state in this agreement. [end recording]

The Central Bank's demands have a basic purpose: to restrict the indebtedness of state governments, forcing them to control their own deficits. The problem of state debts is one of the greatest hurdles for the stabilization plan. The agreements with the states of Sao Paulo and Ceara are practically finished.

Monetary Council Approves Financial Measures

PY2802175891 Brasilia Domestic Service in Portuguese 2300 GMT 27 Feb 91

[Text] The National Monetary Council has approved several measures affecting the financial institutions. Private social welfare firms and saving firms have been authorized to seek foreign resources through the system of promissory notes, as banks do.

The Monetary Council has also approved a Property Value Commission's proposal eliminating the broker fees table that has been used in market operations. Fees will now be negotiated between the parties involved.

The Council also approved various Central Bank measures such as the allocation of capital to be used to buy shares in financial funds and the continuation of the fixed income fund.

The Council also approved the renegotiation of state debts through an exchange of titles by the Central Bank and the adjustment of the minimum prices of agricultural products to compensate for inflation.

* Piva Says Defense Weapon Sold to Iraq

91SM0194A Sao Paulo FOLHA DE SAO PAULO in Portuguese (Special Supplement) 19 Jan 91 p 5

[Interview with Brigadier General Hugo Piva (Res) by Ricardo Julio; place and date not given]

[Text] Brig. Gen. Hugo Piva, who is in the reserves and is the owner of the HOP enterprise, which produces war materiel, believes that it will be difficult for the United States to occupy Iraq, despite the technological superiority of its weaponry. But he thinks this may favor the U.S. strategy, because it would suggest that its troops should remain in the Persian Gulf area for a lengthy period of time. In an interview granted to FOLHA, Piva, who has supplied Iraq with weapons, spoke further about the Brazilian weapons involved in the war.

[Julio] What chance does each side have in the war?

[Piva] Wars are always decided by technology, but they are won by force. This is a contradiction. The United States is in a position to destroy Iraq completely within a rather short time. Now, it is going to be much more difficult to occupy Iraqi territory. There may be guerrilla forces in the urban areas and in the desert, where the Americans enjoy little advantage. Also, there is the problem of lack of support from the population, which would make occupation difficult. The United States has already had the example of Vietnam, and the Soviet Union has the example of Afghanistan. Both countries succeeded in destroying the resources enabling the enemy to attack, but they did not succeed in occupying the enemy's country.

[Julio] Would this make for a long war?

[Piva] It depends on how the parties react. It would not be long if the United States were to be satisfied with simply destroying the Iraqi war machine, which it can do within a short time, and which it is in its interest to do in order to prevent the great threat of Iraqi hegemony in the future. In such a case, the Americans could occupy Kuwait, which is a small area, thus creating a state of tension which would require that they remain in the Gulf area for a long time. This is what they want—to have a firm position in the Gulf. Continuing this state of

tension in order to stay in the Gulf for a long time creates a situation favorable to the United States.

[Julio] Do you believe that the United States wants to remain in the Gulf region permanently?

[Piva] Without any doubt. There they have the empire of oil, of which they have considerable need. The United States is the largest importer of oil in the world. They lost Iran with the fall of the shah, and now they are seeking a position in the Gulf. If the war should spread, the conflict could take on very large proportions in terms of human lives and material destruction. This could result in widespread terrorism.

[Julio] Who has supplied Husayn with chemical weapons?

[Piva] This has not yet become really clear. It appears to have been France and Germany.

[Julio] What importance have Brazilian weapons had for the Iraqi forces?

[Piva] The Astros system has some. But the importance of all these units is very limited compared to the other types of weapons available to Iraq. We have supplied these armored cars, but they are used for troop transport and do not decide the outcome of a war. We have the Cascavel, an armored reconnaissance resource, but it does not decide the outcome of battles either.

[Julio] What about the missile your team was manufacturing? What special characteristic would it have in relation to the weapons Husayn already has?

[Piva] Its special characteristic is that it was a rather small missile, with a range of 8 to 10 km for air-to-air attack. It is not essentially an attack weapon. It is a defense weapon, like the hundreds which Iraq already has and could purchase from other countries.

[Julio] If Iraq could buy from other countries, why was the Brazilian missile of interest to Saddam?

[Piva] The fact is we did not go there to produce the missile. We were teaching them to do research and development. Because it is an air-to-air missile, it is a rather complex mechanism, and its structure involves almost all of the problems a missile might have. It is launched from a mobile platform, an airplane in the process of maneuvering, against another fleeing aircraft. Therefore it has to have special characteristics and intelligence to detect the slightest movements and to reach its target.

[Julio] Did you have the support of the Brazilian Government in developing this program for Iraq?

[Piva] I did not have formal authorization, but the government knew of it. I informed the Ministry of Aeronautics, at the time, and there was no opposition. The Itamaraty Palace also knew of it. Nothing was done secretly. The Brazilian Government did not have to give formal authorization to a private group going abroad to carry out a mission as part of an international transaction. In addition to this, not only has the government never caused me any problems, but it also provided me with support when I needed to withdraw the group from Iraq.

[Julio] With the technology you took to Iraq, could it develop atomic weapons?

[Piva] There is no connection. Our research in the missile field is unrelated to nuclear energy.

[Julio] Does Iraq have atomic weapons?

[Piva] I do not think so. It is not an easy thing to obtain nuclear weapons.

[Julio] But Husayn has said that he will surprise the world, in the event of war, with a powerful weapon. Of what is he speaking?

[Piva] I have no idea. He could mean chemical weapons, which in themselves are sufficiently devastating.

[Julio] Can Brazil profit economically from the war?

[Piva] No. It can only lose, because we must import more oil. It is always the Third World which pays the bills for the harm done by the developed nations.

[Julio] What about the war industries?

[Piva] We Brazilians would not profit, because the weapons we have are low destruction-density weapons. They are merely tactical weapons.

[Julio] What will the main consequences of the war be for Brazil?

[Piva] Fuel rationing and the increase in the price of oil will be the least important. In a war, crises spread and reflect on the Third World. The rope around our neck will be tightened. The great powers control the entire raw-materials market, and these are the products of which the Third World sells the most.

* 1990 Agricultural Production Decline Noted

91SM0194B Rio de Janeiro O GLOBO in Portuguese 23 Jan 91 p 25

[Text] The decline in Brazilian crop production in Brazil last year came to 10.19 percent. Thus even with an increase of 5.5 percent for the livestock sector, the overall Brazilian farm product showed a decline of 4.07 percent in 1990 in comparison to the preceding year. These figures were released yesterday by the Brazilian Institute of Geography and Statistics (IBGE), which further determined that the country harvested 56.1 million tons of grain in 1990, as compared to 71.8 million tons in 1989, representing a decline of 21.8 percent.

Studies made by the IBGE in December indicated that the planted area this year will come to 28.2 million hectares, 3.94 percent less than the figure for 1990 (29.37

million hectares). Furthermore, this will mean a decline of 1.78 percent from the area harvested last year (28.73 million hectares). The Institute has not yet released an official harvest estimate for this year, but for work within the organization, it is using a projection of 66 million tons. In this connection, it is hoping for an increase in productivity, which was rather seriously affected by weather problems in 1990.

With regard to the grain harvest last year, the most important declines were seen for rice (7.42 million tons harvested, compared to 11 million in 1989), second-harvest corn (358,100 tons, compared to 858,200 tons), wheat (3.13 million, compared to 5.55 million in 1989, when self-sufficiency in production was almost reached), soybeans (19.88 million, compared to 24 million), and even coffee (2.88 million, compared to 3.06 million).

The work of the IBGE also involved locating the national herd on the basis of research done in 1988. A third of the cattle herd is to be found in Goias (16 percent of the almost 140 million head in the country as a whole) and Minas Gerais (15.5 percent). Rio de Janeiro has a small share (1.5 percent). The production of the swine herd is concentrated in the South (35 percent), with Parana in the lead (13 percent of the approximately 30 million head of hogs). Sao Paulo is the largest producer of of poultry (20 percent of the total of 496.2 million birds reported for the country in 1988) and eggs (33.1 percent of the approximately 2 billion dozen). Minas Gerais leads the nation in milk production (31 percent of the 13.2 billion liters).

The national storage situation was also assessed by the IBGE (figures pertaining to 1989). Of the 12,983 establishments studied, 38.5 percent were located in the South.

Chile

'Satisfaction' Expressed With Cease-Fire News

PY2802205091 Santiago Radio Nacional de Chile Network in Spanish 1700 GMT 28 Feb 91

[Text] The Chilean Government has expressed its satisfaction with the news that a cease-fire has taken effect in the Persian Gulf and has confirmed its intention to contribute to the establishment of the required conditions to overcome the current difficulties.

Foreign Minister Enrique Silva Cimma has pointed out that, although Chile regrets the high cost of this war, which was the result of the Iraqi Government's stubborn attitude, we must all celebrate its end. He added that this victory means that right has won and that the UN resolutions have been complied with.

Silva reported that President Aylwin has instructed him to offer the Chilean Government's contribution to the United Nations in terms of military activities and the formation of peacekeeping forces. He also reported that the government has been in permanent contact with the International Red Cross.

Indemnization for Grapes Incident Requested

PY0103120691 Santiago Radio Cooperativa Network in Spanish 2200 GMT 28 Feb 91

[By Carmen Castro]

[Excerpts] The Chilean Government has decided to officially request indemnization from the U. S. Government for the poisoned grapes incident. The decision and its details were revealed this afternoon by Foreign Minister Enrique Silva Cimma and Agriculture Minister Juan Agustin Figueroa. The government presented this administrative complaint to the U.S. FDA [Food and Drug Administration]. As is well known, in 1989 the FDA imposed an embargo on Chilean fruit based on the alleged detection of cyanide in two Chilean grapes. Minister Silva Cimma said this act caused serious damage to the Chilean Government and producers. He announced the adoption of a series of measures appropropriate to administrative complaints.

[Begin Silva Cimma recording] (?We have decided) to present to the U.S. Government an administrative complaint in the name of the Chilean Government and people. This complaint has been made in accordance with the instructions of the U.S. Federal (?Food and Drug Administration), which is the way to complain about U.S. administrative acts. This procedure is aimed at allowing the U.S. Government to correct the mistakes and compensate for the damage caused, without waiting for a diplomatic handling of the issue. The losses have been estimated at $246.46 million. [end recording]

This is the first part of the complaint, which does not preclude resorting to other international legal procedures if this first complaint is not met, Silva Cimma said. He also agreed to present a diplomatic note through the usual channels for such complaints. [passage omitted]

It must be added that Minister Silva Cimma has contacted U.S. Ambassador to Chile Charles Gillespie to report the decision to present the complaint. The U.S. ambassador deemed the channels used by the Chilean Government adequate, but made no further comment on the issue.

Minister Silva Cimma said that through this complaint, the Chilean Government is not seeking to confront the U. S. Government, but is taking a position marked by a spirit of friendship and cooperation so as to solve this pending problem.

Aylwin, PCCh Leadership Discuss Rettig Report

PY2802110491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 27 Feb 91

[By Manola Robles]

[Text] President Patricio Aylwin this afternoon met for one hour with Communist Party of Chile [PCCh] leaders Volodia Teitelboim, Gladys Marin, Mireya Baltra, and Jose Sanfuentes. They discussed the report of the Truth and Reconciliation Commission.

Talking with reporters, Teitelboim said that they are against impunity. He added that even under another name, impunity should not exist in our country. He added that General Pinochet, as chief of state during the dictatorial regime, was responsible for any crimes committed.

Teitelboim also harshly criticized the position adopted by rightist parties, namely the UDI [Independent Democratic Union], which blamed the Popular Unity leaders for the human rights violations over the past 17 years. This is an unbelievable way of distorting history. No one can believe this claim because the murders took place after 11 September [1973].

The communist leaders also asked President Aylwin to involve the government in the lawsuits that will be filed against those responsible for the crimes specified in the Truth and Reconciliation Commission report.

When asked whether the PCCh will call for a popular mobilization if the report is not satisfactory, Teitelboim said the PCCh is in favor of a mobilization for the democratic transition process and that it will seek truth and justice. He explained that the process of administering justice will be very slow in our country.

They concluded by asking President Aylwin why the political sector of the MIR [Movement of the Revolutionary Left] was not invited to talk about the report. Teitelboim said that this is unjust because there are 900 MIR militants among the victims of repression.

Carabinero Killed During Pursuit of Terrorist

PY2802211691 Santiago Radio Nacional de Chile Network in Spanish 1700 GMT 28 Feb 91

[Text] Members of the 5th Carabineros Precinct in Santiago this morning arrested a man who allegedly belongs to a terrorist cell responsible for many crimes in Santiago. It was reported that some Carabineros were patrolling the streets at 1000 this morning when they stopped a vehicle with two young men near Chacabuco Square. One of the men escaped while the other one was being arrested. Inside the vehicle the Carabineros found an M-16 automatic rifle and a homemade grenade.

Carabineros immediately began an intensive search of the district for the escapee. The arrested man is currently being questioned by members of the Carabineros OS-7 troop. The man apparently belongs to a terrorist group that is responsible for several crimes in Santiago.

A last-minute news report notes that a member of the Carabineros has been killed during the pursuit of the missing terrorist. The identity of the Carabinero killed during the clash with the terrorists in the La Coruna slum is still unknown.

Carabinero's Killer Captured

PY0103005091 Santiago Radio Nacional de Chile Network in Spanish 2200 GMT 28 Feb 91

[Text] A Carabineros officer was shot to death by an extremist in the Juanita Aguirre neighborhood around 5400 Independencia Avenue, in the Cortijo area. The agent who was killed—identified as Osvaldo Francisco Reyes Reyes—was participating in an operation to locate a terrorist safe house when he was shot by an individual who fled but was later captured.

Carabineros were patrolling the area around Independencia Avenue and Santa Laura Street, near Chacabuco plaza, when they spotted two suspicious individuals in a white Peugeot 404. One of the individuals got out of the car and ran away; the other was arrested with an M-16 rifle in his possession and taken to the 5th Carabineros Precinct.

The police initiated an operation that led to a confrontation in which an unknown assailant opened fire from an apartment and fatally wounded Carabineros agent Reyes Reyes, 22. The operation was then intensified, with the participation of special forces. The killer was finally captured. Weapons, explosives, and political literature were found in the apartment.

The policeman's killer is an extremist with the last name of Ortiz Montenegro; his affiliation is being investigated.

Reduction in Fuel Prices Announced for 28 Feb

PY2802015091 Santiago Radio Nacional de Chile Network in Spanish 2200 GMT 27 Feb 91

[Text] As of midnight today, prices for oil by-products will be reduced. Mining Minister Juan Hamilton has announced that fuel prices will be reduced by 8-24 percent at midnight. The reduction for premium gasoline will be 15.5 pesos per liter, equivalent to 11 percent of its previous price; the reduction for liquefied petroleum gas will be 14.2 pesos per liter, equivalent to 9 percent of its previous price; the reduction for industrial petroleum will be 15.2 pesos per liter, equivalent to 24 percent of its previous price; the reduction for regular gasoline will be 13 pesos per liter; and the reduction for kerosene will be 9.4 pesos per liter.

Minister Hamilton said the reductions are being implemented to bring internal prices into line with international prices, adding that the government has thoroughly evaluated the pros and cons of such an important decision.

[Begin Hamilton recording] The unfolding of the war, the excess in international oil reserves, the release of strategic reserves by the major powers, and other things have pushed fuel prices down. Consequently, we have

decided to make reductions ranging from 8-24 percent after patiently and prudently observing developments and not letting ourselves be swayed by the pressures that authorities have been subjected to by various sectors with legitimate interests in the price of oil. [end recording]

The mining minister explained that these price reductions will first be granted to wholesale fuel distributors, who should in turn pass them on in their entirety to consumers. For this reason, the minister called on service station owners to implement the price reductions as soon as possible.

Colombia

President Gaviria Comments on Visit to U.S.

PA0103162191 Bogota Radio Cadena Nacional in Spanish 1232 GMT 1 Mar 91

[News conference by President Cesar Gaviria with local reporters at the Narino Presidential Palace in Bogota; live—broadcast in progress]

[Text] ...[Gaviria] I would like to point out that in this country, the tradition of the president calling for a meeting of the Advisory Committee every time he is about to travel does not exist. This administration has met with the Advisory Committee on three occasions and has informed this committee of its foreign policy. My administration plans to meet with the Advisory Committee prior to my trip to Venezuela, however, the tradition of the president having to report to that committee before taking a trip abroad does not exist in this country.

I am very happy with my visit to the United States. I think that the newsmen who have traveled there have been able to perceive how good the relations are between Colombia and the United States. Without a doubt, the signing of the Commercial Cooperation Agreement will decisively contribute toward full compliance with decrees issued by the government. This agreement is also a demonstration of the trust and the backing that our policies have earned in U.S. circles. I trust that because of the steps we have taken we will be able to make significant progress.

The visit also served to point out the importance of the Andean Initiative, which is a result of the agreements reached at the meeting in Cartagena by [Former] President Barco and President Bush. The initiative is also a fundamental component in a strategy that must take into consideration economic and commercial aspects and the safeguarding of the political will of our countries. We hope that Congress [not further identified] will approve the Andean Initiative. There are stumbling blocks, because the commission that has to approve the Andean Initiative is the same commission that must examine other very important projects, including the U.S. Government's authority to remain at the current GATT meeting in Uruguay and the authority to implement the trade agreement with Mexico. I believe that we have made known our interests and I expect that the Andean Initiative will be approved sooner, rather than later.

[Moderator] The next question will be by Marta Torres, of Televista. Bernardo Colmenares, of COLPRENSA, will follow her.

[Torres] Good morning, Mr. President. While in the United States you met with representatives of several media. Do you think you were able to convince newspaper editors and directors that Colombia's policy on drug-trafficking is adequate? How do you view your meeting with them?

[Gaviria] This is not the first time we have met with the U.S. media. We have the objective of maintaining a relatively close relationship with U.S. newspapers, important magazines, and television. We have done this during the three visits we have made to the United States. We maintain daily contact with them. This type of contact is always fruitful and positive. These contacts do not necessarily lead to formal interviews. They are frank and open exchanges of ideas that serve to clear doubts and provide explanations. We realize that it is very difficult to understand the Colombian situation from so far away, but we believe that we have had positive results. Recently there was a report in Colombia on a relatively critical editorial in THE MIAMI HERALD. It was interesting to discuss this matter with them. We hope that our opinions have served to enhance some of their points of view.

There have also been editorials favorable to Colombia in THE WASHINGTON POST and THE NEW YORK TIMES. As a result of my visit, as those who were there during the visit can bear witness, there were several positive reports on Colombia, despite the fact that the Middle East war was raging. There were positive reports in almost all U.S. newspapers.

[Colmenares] Mr. President, you said in the United States that the drug lords were retreating, but violence is rocking Medellin. Who can be blamed for the violence if the drug lords are retreating?

[Gaviria] It is very difficult to definitely interpret what is happening in Medellin. The surrender process, the process of administrative changes, and such are producing changes that alter the existence and the maze of the criminal organizations that operate in Medellin. I do not think that this is the sole cause of what is happening in Medellin. In my inauguration speech, I said that the Medellin problem goes beyond the drug trafficking problem and represents a serious social problem. I still believe that. I believe that this goes beyond drug trafficking problems and that it will take a relatively long time to guarantee that the city of Medellin will have control of public order.

The administration plans to remain alert to the situation in Medellin, to do whatever it can to safeguard public

order in that city, to cooperate with the social action plan being implemented, and to back the work being carried out by the governor of Antioquia and the mayor of Medellin. This position stands firm. We expect to be able to gain control of this situation that is gravely altering public order in that city.

[Moderator] The next question is from Reinel Bedeno of Radio Todelar. He will be followed by Jaime Tarazona of Radio Cadena Nacional [RCN].

[Beleno] Good morning, Mr. President.

[Gaviria] Good morning, how are you?

[Beleno] Very well, thank you, and you? Mr. President, the Supreme Court has abolished a entire decree that you sponsored, asking that 450 pesos be given to National Constituent Assembly candidates to pay for the votes that they received. The decree is no longer valid. Will it be necessary to recover the money that the state has already paid to the National Constituent Assembly members? What measures will the government take to recover that money? Or will it support the thesis that the Supreme Court's decisions are not retroactive?

[Gaviria] I cannot answer your question. In fact, the information we have comes from the press. The government has yet to see the ruling. I understand that it has not been published. The consequences of the ruling are very difficult to predict right now. The government cannot adopt a decision on the issue until it has access to and studies the Supreme Court's ruling. Like I said, the information we have right now comes from the press and it is difficult to predict anything.

[Moderator] The next question is from Jairo Tarazona of RCN. He will be followed by Antonio Jose Caballero of the Cinevision Newscast.

[Tarazona] Mr. President, good morning.

[Gaviria] Good morning, Jairo.

[Tarazona] An issue currently in the national news deals with the violence of the guerrilla groups. Violence prevails despite government appeals. Do you know when the first dialogue will be held with the Simon Bolivar National Guerrilla Coordinating Board [CNG] and when CNG forces will end their violent actions so as to seriously embark on the road to peace?

[Gaviria] The government has striven to hold what we might call an exploratory meeting with the CNG members and the subversive groups represented there. Unfortunately, we have not been able to establish where the meeting will be held. I believe that the main obstacle is the difficulty in choosing a site, but I trust that this will be accomplished in a matter of days. We will thus be able to achieve progress in something that I hope will lead to the achievement of peace, that will lead to a demobilization, and that will allow us to achieve progress in a peace process with the characteristics that a peace process with these subversive groups must have. They must obviously understand that their political project is not viable; that the Colombian people want peace, not war; that the Colombian people want to follow the road of political reform; and that we all hope that the National Constituent Assembly will be the best forum for achieving peace.

[Moderator] The next question is from Antonio Jose Caballero of Cinevision Newscast. He will be followed by Diana Sofia Giraldo, of 24 Horas Newscast.

[Caballero] Good morning, Mr. President.

[Gaviria] Good morning, Antonio Jose.

[Caballero] You told the U.S. public that they cannot expect us to continue the war until only one Colombian is left standing. What does this mean? An increase of benefits in the future? Further agreements? New dialogue?

[Gaviria] No, I was referring to the expectations, wishes, and hopes of all the Colombian people—and not just the Colombian president—that the U.S. media, the U.S. Congress, and the U.S. Government realize the need to fully understand the magnitude of the struggle waged by the Colombian people against drug trafficking, the immense sacrifices we have made, and the great amount of violence we have withstood. Therefore, they must adopt measures to increase their support for the Colombian people. The statement is intended to emphasize the need for them to understand that, as well as to understand the type of policies that we are enforcing and to approve the initiatives that will alleviate the commercial situation by giving Colombian products access to U.S. markets

Sometimes the U.S. media and the media of other countries fail to understand things. They have forgotten how great a sacrifice we have had to make and the costs we have paid. They judge us more severely than they should. The truth is that Colombia has exerted itself more than any other country in the fight against drug trafficking and it has paid a much higher cost. What we deserve from the international community is its recognition and initiatives like those approved by the European Community, rather than mistreatment and the failure to recognize reality, meaning that Colombia has exerted itself more than anyone else and that it has made more sacrifices than anyone else.

[Moderator] Question by Diana Sofia Giraldo of the 24 Horas newscast. Patricia Uribe of Colmundo gets ready.

[Giraldo] Mr. President, you said in Washington that the Judicial Cooperation Agreement is intended to ensure that drug traffickers receive sentences proportional to their crimes. It is known that in the case of the Ochoas, for example, there is not much evidence. Did the U.S. Government supply more evidence for the Ochoas trial? I also have a question about the economy: If the GATT

talks in Uruguay fail, what are the real chances of advancing toward a free trade agreement with the United States?

[Gaviria] I believe we can answer your last question by saying that the GATT agreement with the United States is very important because it will allow the development of world trade. Colombia, to be truthful, does not benefit immediately. The significant advances in the Uruguay meeting have to do with Europe because Colombia was given preferential access to the European market in the recent initiatives approved by the EC. Because of these benefits, it is very difficult to expect important additional benefits. We are, nevertheless, hoping for a successful round of GATT talks in Uruguay. Their failure would of course mean a setback for world commerce and all the currents of world and free trade agreements taking place could be adversely affected. I would say that even if the GATT talks in Uruguay were to fail, the chances of the Enterprise for the Americas Initiative coming out ahead are quite good and I do not believe that the United States would backpedal on this policy. Excuse me, what was your first question, Diana Sofia?

[Giraldo] You said that the Judicial Cooperation Agreement with the United States is intended to ensure that drug traffickers receive punishment proportional to their crimes. It has been said that in the case of the Ochoas, for example, there is not much evidence. Did the U.S. Government supply further evidence for these three cases?

[Gaviria] The Judicial Cooperation Agreement precisely refers to those who have turned themselves in to the Colombian justice system. The idea is to work out agreements that will allow the exchange of evidence. This is true not only for the Ochoas, but for others who have turned themselves in. We have always been very clear—here no one can speak of deception—that people who turn themselves in will be tried for all their crimes, including those committed in other countries. This agreement will allow for this. People who have given themselves up can be tried for crimes committed in Colombia and for crimes committed in the United States or any other jurisdiction. It is Colombia's intention to deal with crimes committed not only in the United States, but also crimes committed elsewhere.

[Moderator] Question by Patricia Uribe of Colmundo. Tadeo Martinez of EL ESPECTADOR gets ready.

[Uribe] Good morning, Mr. President, you have advanced an effective policy to fight drug trafficking and you have defended it in the United States. Three presidential decrees have been issued where certain prerogatives are given to drug traffickers who turn themselves in. Colombians ask themselves why Francisco Santos and Maruja Pachon, for example, have not yet been freed? Colombians ask themselves if modifications of these laws should be expected.

[Gaviria] It is very difficult for me to answer that question. I do not know why the people who kidnapped Maruja Pachon and Francisco Santos have not released them. I join the voice of the Constituent Assembly and the voice of all Colombians who have demanded the freedom of Maruja Pachon and Francisco Santos. I feel that they have the full right to live with their families and to lend their services to Colombian society. These are good people, they are people who have rendered great and valuable services to Colombian society. These are people who are essential for the freedom of information [words indistinct]. I really trust that they will be freed and that there is no reason [for their being held]. If by any chance their kidnapping was due to government policies and its fight against drug traffickers, I believe that we have been sufficiently broad. We have guaranteed a Colombian commission on drug trafficking problems, which is why there is no justification for these people being kidnapped.

[Moderator] Question by Tadeo Martinez of EL ESPECTADOR. Ricardo Canon of Noticiero del Mediodia will ask the final question.

[Martinez] [passage indistinct].

[Moderator] Okay. Ricardo will close the news conference.

[Canon] Good morning, Mr. President.

[Gaviria] Good morning, Ricardo.

[Canon] Six months ago, during your first official visit to the United States, your efforts were directed not only at discussing the problems posed by drug trafficking, but at paving the way and creating openings for Colombian products and eliminating narcotics from our relationship with the United States. During this visit, did you make any significant progress in gaining openings for national products? Did you, to any extent, put aside the narcotics issue? What can we expect for Colombian products?

[Gaviria] Let me see. Drug trafficking will, of necessity, be a very important topic in the relationship between Colombia and the United States, insofar as Colombia is the leading drug trafficking country and the United States is the leading drug consumer. This is an inescapable fact.

I would not, however, say that relations between Colombia and the United States are based entirely on the narcotics issue. I would not say that because, for example, our banking and commercial ties, which could have been affected by those problems, are not. In reality, Colombia is successfully and satisfactorily approaching $1.7 billion in credits for the next few years, a fact that has not clouded or hindered our relations with the United States.

I hope, for example, that in the future Colombia and the United States will be able to sign a free trade agreement that will not be outweighed by drug-related problems or issues. To the extent that we are successful in the struggle against drug trafficking, the problem's importance will gradually decline and commercial issues will gain importance. I also believe that it is especially important for us to become part of an Andean Initiative at some time in the future. This would constitute proof of the United States' desire to provide us with something more than

aid for the military and for specific drug-related projects, and of its acceptance of Colombia's point of view that our country's economic development is important because it will enable the country to gain the capacity not only to assume the costs of the struggle, but also the eventual disbursements that it may require in the future.

I thank all of the reporters who came to the Narino Palace for this news conference, which marks my return from the United States. Thank you very much.

Spain 'Could Be' Site of Next Peace Talks

PA0103030991 Bogota EL TIEMPO in Spanish 26 Feb 91 pp 1, 6A

[Text] EL TIEMPO has learned from several government and diplomatic sources in Bogota that Spain could be the site for peace talks between the Colombian Government and rebels.

Peace adviser Jesus Antonio Bejarano has made informal contact with the Spanish ambassador to Colombia, Salvador Bermudez de Castro, and mentioned the possibility of holding peace talks with the Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN) in Spain.

Ambassador Bermudez de Castro conveyed the request to the Spanish Government. EL TIEMPO has learned that Prime Minister Felipe Gonzalez immediately gave his approval. Spanish officials said, however, that due to security reasons, the talks probably will not take place in Madrid, but in another part of Spain.

Meanwhile the FARC, through a correspondent of the Spanish television in Colombia, has expressed its interest in holding the talks in Spain. The ELN has also agreed to meet in Spain.

The exact date and place have not been confirmed yet. Only informal contacts that have been made so far.

EL TIEMPO has learned, however, that the government will be represented by peace adviser Jesus Bejarano, and peace commission members Carlos Eduardo Jaramillo and Deputy Government Minsiter Andres Gonzalez.

The government has clearly stated that the first meeting, which will take place in Colombia—somewhere in the La Uribe Municipality—will be only to determine the mechanisms for the dialogue abroad.

Nevertheless, until yesterday, no contacts had been made between guerrilla leaders and government representatives to decide where the meeting will be held in the extensive La Uribe region. According to reports aired by several radio stations, guerrilla leaders claim that they have not been able to select a place because the commissions sent to various parts of La Uribe have encountered Army patrols.

On 8 October 1983, President Belisario Betancur met in Madrid with Ivan Marino Ospina, Alvaro Fayad, and Carlos Toledo Plata, commanders of the M-19 [19 April Movement], which, at that time, was still armed.

Although no agreement was signed during that first contact, it established the basis for future talks with the appointment of a spokesman for the president of the republic and another one for the M-19.

The M-19 leaders traveled from Havana.

One year later, the negotiating site was moved to Mexico. On that occasion, the press office of the presidency issued a communique in which it announced that President Betancur had met with Ivan Marino Ospina and Alvaro Fayad in presence of Development Minister Ivan Duque Escobar and the Colombian Consul in New York Guillermo Angulo.

Ecuador

Rebel Group Officially Ends Armed Struggle

PA2702030491 Madrid EFE in Spanish 0040 GMT 27 Feb 91

[By Sixto Martinez]

[Text] Quito, 26 Feb (EFE)—Former guerrillas of the Alfaro Lives Dammit (AVC) organization turned over their weapons to the Catholic Church in Quito today in a ceremony that symbolized the end of a decade of political violence in Ecuador.

With several former presidents, Latin American political leaders, and Ecuadoran ministers as witnesses, the AVC presented five boxes containing approximately 100 handguns and rifles, which were destroyed in the atrium of the historic San Francisco convent in Quito.

AVC leader Pedro Moncada said that these "are all" the weapons they had until 1989, when they decided to abandon the armed struggle after reaching a peace agreement with the government of President Rodrigo Borja.

A faction of the AVC led by Patricio Baquerizo refused to join the peace process and claims it still holds most of the weapons.

After a mass officiated by Quito Archbishop Antonio Gonzalez, and in the presence of several dozen members and hundreds of other people, AVC officially abandoned its armed struggle and "sided with life."

In his speech, Moncada said they will join democratic life, and he outlined the organization's program: strengthening of democracy and pressure so that social justice will be achieved.

Among the witnesses invited by the government were former Uruguayan President Julio Maria Sanguinetti; Antonio Navarro Wolff, former Colombian health minister and leader of the 19 April Movement (M-19); and Sandinist Commander Victor Tirado. Spanish Senator Miguel Aguilar Belda attended as representative of the Spanish Socialist Workers Party (PSOE) and Socialist International.

Ecuador was represented by former Presidents Carlos Julio Arosemena and Oswaldo Hurtado, during whose term the AVC began its subversive actions in 1983. Blasco Penaherrera, vice president during the Leon Febres Cordero administration, which decimated the guerrillas in 1986, also attended the ceremony.

Government Minister Cesar Verduga, who was accompanied by several fellow cabinet members and the leadership of the ruling Democratic Left party, said in his speech: "In today's ceremony, I see support for a country without hatred."

In his homily, Monsignor Gonzalez said peace "cannot be attained if the interests of the people and their rights are not respected," and he called for the disappearance in Ecuador "of the deep social differences that separate the few who have everything from the many who have nothing."

Sanguinetti, who spoke on behalf of the foreign guests, stated that the action showed "supreme heroism on behalf of peace and the rejection of violence."

The AVC began its armed activities in 1982 under the leadership of university students Arturo Jarrin and Fausto Basantes, with the theft from a museum of the sword of national hero Eloy Alfaro. Jarrin and Basantes were later killed in clashes with the police.

The group took its name from a war cry very popular in the civic struggles that brought Alfaro to power at the end of the 19th century ("Long Live Alfaro, Dammit"). Between 1984 and 1986, it held up banks, robbed arsenals, and kidnapped political and financial personalities, threatening Ecuadoran democracy, which had been restored in 1979.

With the arrival to power of Rodrigo Borja's Social Democratic government, the AVC announced in 1989 that it had reached a peace agreement with the authorities.

Today, its "official" leaders stated that the only weapon they still hold is Alfaro's sword, which is "well-hidden."

Peru

Paraguayan Envoy Summoned Over Cholera Incident

PY2802201091 Lima RTP Television Network in Spanish 1800 GMT 28 Feb 91

[Text] Foreign Minister Carlos Torres y Torres Lara summoned the Paraguayan charge d'affaires yesterday to convey the concern of the Peruvian Government over Paraguay's decision not to allow the Cerro Porteno and Colegiales soccer teams to play in Peru due to the possibility of cholera contamination.

The Paraguayan official was informed that the Peruvian Government promises to make every effort to provide the best health protection to the soccer teams.

Terrorists Ambush, Kill 8 Soldiers in Ayacucho

PY2802172891 Madrid EFE in Spanish 0402 GMT 28 Feb 91

[Text] Ayacucho (Peru), 27 Feb (EFE)—Local peasants have reported that an armed column of the Maoist Shining Path group today murdered one Army officer and seven soldiers in Huanta Province, Ayacucho Department.

It has been reported that the lieutenant and the seven soldiers were on a patrol mission with seven other members of the Tambo military post when they were attacked. They died in an ambush in Rasuhuillca, some 80 km north of Ayacucho, a rural area in which many Shining Path members have been operating.

A captain and six soldiers survived the attack.

According to a Peasant Patrol group who accompanied the military personnel during part of their patrol mission, the Shining Path guerrillas seized the weapons and a radio from their victims. The Peasant Patrol groups are against Shining Path terrorists.

Even though there has been no official information on this case, press reports indicate that military personnel have intensively patrolled, with the support of helicopters, several townships on the road to Rasuhuillca. They are apparently hunting for Shining Path terrorists.

It was reported today that Shining Path members murdered 32 peasants on 23 February in the township of Jano, La Mar Province. According to a preliminary report released on 25 February, only 23 people died in Jano.

Japanese School Attacked With Explosives

PY2802145091 Lima RTP Television Network in Spanish 1100 GMT 28 Feb 91

[Excerpt] The the Peruvian-Japanese School, in the Parque Naranjal neighborhood of Los Olivos District, was attacked by terrorists today at dawn. They hurled a dynamite stick at the school, causing minor property damage. Apparently, three men hurled the explosive before quickly fleeing toward Huangoy Avenue. [passage omitted]

Venezuela

President Perez Hails Persian Gulf Cease-Fire

PA2802172591 Caracas Venezolana de Television Canal 8 in Spanish 1611 GMT 28 Feb 91

[Address to the nation by President Carlos Andres Perez from the Miraflores Palace in Caracas on 27 February—recorded]

[Text] Venezuelan ladies and gentlemen: Here in my office at Miraflores, I have received the news that is already known to you, and that fills us with deep happiness. The war has ended. We hoped with infinite longing for the end to this absurd war that was provoked by a senseless attempt to

change the political map by force, leading us into a situation that has upset the entire world.

Now the important thing is for us to attain peace. President Bush has announced a cease-fire, but this does not mean that peace has been won. The Palestinians, the Israelis, and the Lebanese are over there hoping for a permanent end to the conflicts that have been a continuous threat to world peace; that have brought great misery, many sacrifices, and many (?deaths) to the world; and that have even allowed that terrible and unacceptable weapon of terrorism to play a part in this crisis.

At this time, we ask the large nations—the five large countries of the Security Council which have veto rights—to use their power in the United Nations to guide the steps of humanity. May the spirit that reigned before 2 August, when the Iraq-Kuwait conflict erupted, be born again in the world. May the detente and agreement between the USSR and the United States again lead the entire world in its hope that true peace and understanding among peoples and international justice may guide the relations among all nations and all peoples.

We wish to reflect on the Arab nations. Those people have their own religion, identity, culture, and customs. We must respect them. Those people desire peace as do all the world's peoples. We all hope that with the end of the East-West confrontation and with the restoration of the climate of detente that prevailed until 2 August, all our nations will again be able to look forward to a just and lasting peace.

This is the message on the events that I have wished to send to my people, because I believe that all Venezuelans are happy today over the end of the war, but are also concerned because we have not attained peace. All the people of the Middle East hope that the United Nations will assume its proper role in an integrated world without confrontations and without a cold war. They all hope that the regional conflicts that have been the cause and the backdrop of the Iraq-Kuwait conflict will be resolved.

May the United States and the USSR continue their talks to achieve total nuclear disarmament, and may we begin to study, with authentic humanitarian passion, the need to achieve international justice.

Disturbances Mark 27 Feb 'Caracazo' Anniversary

PA2802171291 Mexico City NOTIMEX in Spanish 0223 GMT 28 Feb 91

[Text] Caracas, 27 Feb (NOTIMEX)--Police authorities reported today that there were a series of disturbances and attacks on businesses in the capital and in several interior towns today, marking two years of economic crisis.

The most violent disturbances took place in the capital of Merida state, some 700 km north of Caracas, where demonstrations deteriorated into attacks on some businesses and confrontations with riot brigades.

A Merida police spokesman added that groups of hooded individuals occupied the School of Engineering and Law of the University of the Andes, from where they threw stones at the police. They were dispersed with tear gas.

Two years ago, because of an acute economic crisis, there were generalized disturbances, known as the "Caracazo" in Venezuela. According to official statistics, 30 people were killed and businesses lost some $30 million in those incidents.

In Caracas, groups of students and neighborhood associations staged a demonstration. When police attempted to disperse them, they set a cargo truck on fire.

Meanwhile, at the Central University, a mass was held in honor of the dead and missing in the tragic events that occurred two years ago as a result of the economic crisis and President Carlos Andres Perez' assumption of the government. Unofficial figures say 1000 people were killed at the time.

The events, which began on 27 February and lasted until 2 March 1989, led to serious confrontations between the Army and the people, and the suspension of individual rights.

After two years, the Committee of Relatives of the Missing of 27 February got the authorities to reopen the common grave, named "The Stench," into which the authorities threw the corpses of victims of the incidents.

The committee announced that on Saturday, a public "Caracazo" rally will be held, during which the events of two years ago will be dramatized.

All the media have recalled the tragic events to a greater or lesser degree and have compared the present economic crisis to that of two years ago.

Luis Fuenmayor, rector of the Central University of Venezuela, said today that at present "the conditions that led to the 27 February incidents still exist." According to the rector, 70 percent of the population lives in poverty, 30 percent suffer from malnutrition, and another 30 percent are underemployed. The rector added that corruption is increasing and that civil rights are nonexistent.